



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  
中期報告

2020

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## Corporate Information

### BOARD OF DIRECTORS

#### Executive Directors

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

#### Independent Non-executive Directors

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

### AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

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

### NOMINATION COMMITTEE

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

### QUALIFIED ACCOUNTANT

Ms. CHOY Man Har *FCPA, FCCA*

### COMPANY SECRETARY

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

### AUDITOR

PricewaterhouseCoopers

### LEGAL ADVISOR

Herbert Smith Freehills

### PRINCIPAL BANKERS

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

## 公司資料

### 董事會

#### 執行董事

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

#### 獨立非執行董事

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

### 審核委員會

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

### 薪酬委員會

李祿兆先生 (*主席*)  
 麻雲燕女士  
 胡志強先生  
 夏利群先生

### 提名委員會

朱林瑤女士 (*主席*)  
 李祿兆先生  
 胡志強先生

### 合資格會計師

蔡文霞女士 *FCPA, FCCA*

### 公司秘書

潘昭國先生 *FCIS, FCS, FCPA (Aust.)*

### 核數師

羅兵咸永道會計師事務所

### 法律顧問

史密夫斐爾律師事務所

### 主要往來銀行

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

## 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  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### STOCK CODE

The Stock Exchange of Hong Kong Limited: 00336

### COMPANY WEBSITE

[www.huabao.com.hk](http://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  
皇后大道東183號  
合和中心54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](http://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		
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	Change in percentage 百分比變動
Revenue	營業額	<b>1,715,710</b>	2,069,317	-17.1%
Gross profit	毛利	<b>1,088,700</b>	1,310,461	-16.9%
Gross profit margin	毛利率	<b>63.5%</b>	63.3%	
Operating profit	營運盈利	<b>185,778</b>	806,098	-77.0%
EBITDA margin <sup>≠</sup>	EBITDA率 <sup>≠</sup>	<b>47.6%</b>	45.4%	
EBIT margin <sup>≠≠</sup>	EBIT率 <sup>≠≠</sup>	<b>10.8%</b>	39.0%	
Adjusted EBIT margin <sup>#</sup>	調整後EBIT率 <sup>#</sup>	<b>39.7%</b>	39.0%	
Profit for the period	本期間盈利	<b>66,192</b>	609,173	-89.1%
Adjusted profit for the period <sup>#</sup>	調整後之本期間盈利 <sup>#</sup>	<b>561,690</b>	609,173	-7.8%
(Loss)/profit attributable to the equity holders of the Company	本公司權益持有人應佔(虧損)/盈利	<b>(45,434)</b>	480,289	-109.5%
Adjusted profit attributable to the equity holders of the Company <sup>#</sup>	調整後之本公司權益持有人應佔盈利 <sup>#</sup>	<b>450,064</b>	480,289	-6.3%
Net cash generated from operating activities	營運活動產生之現金淨額	<b>467,520</b>	298,100	+56.8%
		<b>RMB cents 人民幣分</b>	RMB cents 人民幣分	
Basic and diluted (losses)/earnings per share	每股基本及攤薄(虧損)/盈利	<b>(1.46)</b>	15.45	-109.5%
Adjusted basic and diluted earnings per share <sup>#</sup>	調整後之每股基本及攤薄盈利 <sup>#</sup>	<b>14.48</b>	15.45	-6.3%
		<b>HK cents 港幣仙</b>	HK cents 港幣仙	
Interim dividend per share	每股中期股息	-	8.8	
Proposed special dividend per share	擬派每股特別股息	<b>6.0</b>	-	

≠ "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 RMB495,498,000 for the six months ended 30 June 2020.

≠ 「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2020年6月30日止六個月之商譽減值人民幣495,498,000元。

## Management Discussion and Analysis

### INDUSTRY OVERVIEW

#### Impact of the Pandemic on the Group's business

Affected by the outbreak of the Pandemic, substantial decline of market demand and weakened consumption sentiment were seen in the first half of 2020. Enterprises are under high pressure in terms of production, operation and sales. The Pandemic has impacted all business segments of the Group. The weakened customer demand resulted in various degrees of slip in revenue and profit across all business segments of the Group. The Group will follow up the development of the Pandemic, actively coordinate the upstream and downstream arrangements of the supply chain and ensure safe, stable and orderly production and business activities of the Group.

#### Overview of the tobacco industry

In the first half of 2020, in face of the unexpected Pandemic, the tobacco industry was committed to its target by proactively coordinated the prevention and control of the Pandemic as well as the resumption of work and production. The tobacco industry solidly implemented the work of operation stabilisation, reform facilitation, structure optimisation, brand development, and risk prevention, contributing to stable improvement in the quality and efficiency of the industry's development. According to the National Bureau of Statistics, China's cigarette production in the first half of 2020 reached 1,269.45 billion sticks, representing a year-on-year increase of 2.8%, which marked the stable production and operation condition of the tobacco industry.

During the Reporting Period, the development gap between the domestic and international developments of innovative tobacco products has become more obvious. Internationally, e-cigarettes are favoured by the capital market, and HNB tobacco products have been recognised as "less harmful" by regulatory authorities in the U.S. While domestically, the sales and development of innovative tobacco products are further supervised and regulated under measures taken by the regulatory authorities. Despite the immense market prospect and development potential of innovative tobacco products, the varying regulatory policies in different countries and regions have led to contrasting degrees in terms of such products' penetration, development and market acceptance. Currently, the development of innovative tobacco products in China's domestic market is highly uncertain.

As for tobacco leaves, the State Tobacco Monopoly Administration consistently adheres to the development principle of "controlling the total volume, monitoring the red line and reducing the inventory" such that the total volume and inventory of tobacco leaves are maintained at a reasonable level, laying a solid foundation and sustaining a good momentum for the development of the tobacco industry. (Source: Eastobacco.com)

## 管理層討論及分析

### 行業概況

#### 新冠肺炎疫情對集團業務的影響

2020年上半年，受到新冠肺炎疫情爆發影響，市場需求大幅下滑，消費者消費意欲疲弱，企業承受了較大的生產、經營和銷售壓力。疫情對本集團各個業務板塊都產生了影響，客戶需求下降使得集團各業務板塊的收入及利潤均出現不同程度的下滑。集團會跟蹤疫情發展態勢，積極協調供應鏈上下游的安排，讓集團安全、穩定、有序的展開生產經營活動。

#### 煙草行業概況

2020年上半年，面對突如其來的疫情，煙草行業積極統籌疫情防控和復工復產，堅持目標任務不動搖。煙草行業紮實推進行業穩運行、促改革、優結構、育品牌、防風險工作的落實，發展質量和效益穩步提升。根據國家統計局數據，2020年上半年，中國捲煙產量達到12,694.5億支，同比增加2.8%，煙草行業的生產經營穩健。

本報告期內，新型煙草製品在境內外的發展差距進一步擴大。在境外，電子煙獲得資本市場的追捧，加熱不燃燒煙草製品則在美國得到監管機構「減害」的認可。在境內，監管機構則採取措施，進一步監管和規範新型煙草製品產品的銷售及發展。雖然新型煙草製品具備廣闊的市場前景和發展潛力，但監管政策的差異使得該類產品的在不同國家和地區的滲透率、發展水平、市場接受度方面差距較大。目前，新型煙草製品在中國境內市場的發展存在較大的不確定性。

煙葉方面，國家煙草專賣局堅決落實「控總量、守紅線、降庫存」的發展方針，煙葉庫存總量和庫存合理，進一步鞏固了煙草行業發展「穩的基礎、好的態勢」。(資料來源：東方煙草網)

## Management Discussion and Analysis (cont'd)

### Overview of the food and beverage industry and fragrances industry

During the Reporting Period, the outbreak and spread of the Pandemic has led to a disruption of normal business activities in a large number of enterprises and posed a significantly negative impact on the economy. In the first half of 2020, China's Gross Domestic Product recorded a year-on-year decrease of 1.6%. The economic downturn has weakened the consumers' ability and willingness to spend. Even the food and beverage industry, which represents people's daily necessities, has also been affected to a certain extent. According to the data of National Bureau of Statistics, in the first half of the year, the gross output of the agricultural product processing industry with enterprises of designated size or above dropped by 4.9% year-on-year, while that of the food processing industry dropped by 0.5%. The output value of the alcohol, beverage and refined tea processing industry dropped by 6.1% year-on-year. The Pandemic has reduced the frequency of out-of-home consumption, gathering and dining, which promoted the consumers' demand for convenience and snack foods. In addition, with the consumption upgrade and the increase in health consciousness, consumers are paying more and more attention to health, safety and functionalities of food and beverage products.

In respect of the daily-use chemical industry, according to the National Bureau of Statistics, the production volume of synthetic detergent in China reached 5.2 million tons in the first half of the year, representing a year-on-year increase of 10.7%. During the Reporting Period, laundry beads have been well received by the market due to their characteristics of convenience. As for personal care products, there was a surge of consumer demand for hand sanitizer products. In general, consumers are not only looking for a pleasant scent in daily-use chemical products, but are also concerned about the safety and health functionalities of the products.

### Overview of the condiment industry

In the first half of 2020, the Pandemic has dealt a heavy blow to the catering industry. According to the data of National Bureau of Statistics, the total revenue of the catering industry was RMB1,460.9 billion, representing a significant year-on-year decrease of 32.8% in the first half of 2020. For the sake of Pandemic prevention and control, catering enterprises had to suspend their businesses or shorten their business hours. On top of that, consumers dined out less frequently, causing such enterprises a substantial drop in revenue. Even so, the catering enterprises still needed to spend substantial amounts on rent, labour and raw materials. Affected by both internal and external factors, catering enterprises became unprofitable with sharply increased pressure on their operations. As a result, condiment enterprises that generate their revenues mainly from the catering industry had to face a market environment with steep decrease in customer demand and downward pressure on prices.

## 管理層討論及分析(續)

### 食品飲料及日化行業概況

本報告期內，新冠肺炎疫情的爆發和蔓延導致眾多企業無法正常展開經營活動，對經濟產生巨大的負面影響。2020年上半年，國內生產總值同比下降1.6%。經濟下滑削弱了消費者的消費能力和消費意願，作為生活必需品的食品飲料行業也受到一定衝擊。根據國家統計局數據，上半年全國規模以上農副食品加工業增加值同比下降4.9%，食品製造業增加值同比下降0.5%，酒、飲料和精製茶製造業增加值同比下降6.1%。由於消費者在疫情期間減少外出消費、聚會、用餐的頻率，推動了消費者對方便食品、休閒食品的需求。此外，隨著消費升級及健康意識的提高，消費者越來越重視食品飲料產品的健康性、安全性及功能性。

日化行業方面，根據國家統計局數據，上半年我國合成洗滌劑產量達到520萬噸，同比增長10.7%。本報告期內，洗衣凝珠因其方便快捷的特點等受到市場歡迎。個人護理產品方面，消費者對洗手液產品的需求大幅上升。總體而言，消費者在追求日化產品愉悅氣味的同時，也更加重視產品的安全 and 健康性。

### 調味品行業概況

受到新冠肺炎疫情的衝擊，餐飲行業在上半年遭受重創。根據國家統計局公佈的數據，2020年上半年，全國餐飲行業收入人民幣14,609億元，同比大幅下降32.8%。為了防控疫情，餐飲企業不得不暫停營業或減少營業時間，消費者也減少外出用餐，這使得餐飲企業收入垂直降落。雖然如此，餐飲企業仍然需要支付高額的租金、人力及原材料的費用。內外兩個因素作用之下，餐飲企業入不敷出，經營壓力陡增。受此影響，以餐飲渠道為主的調味品企業不得不面對客戶需求銳減、定價能力受壓的市場環境。

## Management Discussion and Analysis (cont'd)

Though the Pandemic posed challenges to the operation of the condiment enterprises, it brought up opportunities. During the period, consumers chose to prepare their meals at home. Condiment enterprises with retail channels could sell their products to end-consumers via supermarkets and other channels, which reduced their own operation pressure, and let the condiment enterprises realize the importance of multiple channels to diversify operational risk. During the reporting period, consumers also begin to pay more attention to food safety, health and nutrition, which in turn made the catering enterprises to focus more on the management of supply chain and study on changes in consumer spending patterns. To stand out from the competition, condiment enterprises need to meet the constantly raising procurement standards and requirements of catering enterprises by optimising their production and quality control capabilities and improving their level of service.

### RESULTS

During the Reporting Period, the Group achieved a sales revenue of approximately RMB1,716 million, representing a year-on-year decrease of approximately 17.1%; a gross profit margin of approximately 63.5%, representing a slight year-on-year increase of approximately 0.2 percentage point; an EBIT margin of approximately 10.8%, representing a year-on-year decrease of approximately 28.2 percentage points. Profit for the period was approximately RMB66.19 million, representing a year-on-year decrease of 89.1%; loss attributable to the equity holders of the Company was approximately RMB45.43 million, while the basic losses per share was approximately RMB1.46 cents, representing a year-on-year decrease of approximately 109.5%.

### IMPAIRMENT OF JIAHAO'S GOODWILL

Based on the applicable accounting principles on a prudent basis, the management recognised an impairment of goodwill of RMB495,498,000 for the Cash-Generating Unit ("CGU") of Jiahao Foodstuff Limited and its subsidiaries ("Jiahao") during the Reporting Period. Excluding the impairment of goodwill, the Group's EBIT margin was approximately 39.7%, representing a slight increase of approximately 0.7 percentage point; profit for the period amounted to approximately RMB562 million, representing a year-on-year decrease of approximately 7.8%; profit attributable to the equity holders of the Company amounted to approximately RMB450 million, and the basic earnings per share was approximately RMB14.48 cents, representing a year-on-year decrease of approximately 6.3%.

## 管理層討論及分析(續)

雖然疫情為調味品企業的營運帶來了困難，但也帶來了機會。在這期間，消費者選擇居家煮飯，具備零售渠道的調味品企業能夠透過超市等渠道將產品銷售給終端消費者，減輕了自己的經營壓力，這也讓調味品企業認識到多元化渠道以分散經營風險的重要性。本報告期內，消費者更加關注食品的安全、健康、營養，這使餐飲企業注重對供應鏈的管理和消費者消費模式變化的研究。調味品企業需要通過優化自身的生產和品質管控能力以及服務水平，滿足餐飲企業不斷提高的採購標準和要求，以在競爭中脫穎而出。

### 業績

本報告期內，本集團實現銷售收入約人民幣17.16億元，同比減少約17.1%；毛利率約63.5%，同比輕微提升約0.2個百分點；EBIT率約10.8%，同比下降約28.2個百分點；本期間盈利約人民幣6,619萬元，同比下降89.1%；本公司權益持有人應佔虧損約人民幣4,543萬元；每股基本虧損約人民幣1.46分，同比下降約109.5%。

### 嘉豪商譽減值

本報告期內，基於審慎及適用會計原則，管理層對嘉豪食品有限公司及其附屬公司（「嘉豪」）所屬現金產生單位的商譽確認了人民幣495,498,000元減值。扣除商譽減值的影響，本集團EBIT率約39.7%，同比輕微增加約0.7個百分點；本期間盈利約人民幣5.62億元，同比下降約7.8%；歸屬於本公司權益持有人盈利約人民幣4.50億元；每股基本盈利約人民幣14.48分，同比下降約6.3%。



## Management Discussion and Analysis (cont'd)

### Analysis of Jiahao impairment

#### Background of the acquisition of Jiahao

Driven by the development of the domestic economy, increasing urbanization, consumption upgrade, and change of consumption environment and patterns, China's catering market enjoys a rapid growth. As the catering industry further develops towards to chain store and customized direction, restaurants' demand for condiments of high quality, high stability and high-customization grows significantly. The acquisition of Jiahao was an implementation of the Group's strategy "Concentric Diversification based on Consumers' Demand in the Taste-based Fast-moving Products Industry", at the same time, it offered a good opportunity for the Group to break into the condiment market. Jiahao will expand the Group's business operation scope and source of revenue, optimize business structure, and create more value for our shareholders.

#### The acquisition of Jiahao

Through a prior bidding process, the Group, through New Generation Global Limited, a wholly-owned subsidiary of the Company, entered into an agreement with an independent third party to acquire 100% equity interest in Jiahao, for a cash consideration of approximately USD695,985,000 (equivalent to approximately RMB4,745,437,000) on 28 June 2018. Jiahao is principally engaged in the production, sales, marketing and distribution of condiment products in the PRC. On 4 September 2018, the Group completed the acquisition of Jiahao and has established effective control over it. After the acquisition, the Group was to focus on the complementary products in the taste-based fast-moving consumer products, including products in the niche markets such as flavours and fragrances, additives, ingredients and packing materials, condiments, etc. It was expected to play a synergistic effect. The goodwill arising from the acquisition of approximately RMB3,635,550,000 was derived from the expected synergy and benefits in economies of scale after the integration of the operation of the Group and Jiahao.

The independent third party was Worldwide Jiahao Holdings Limited (the "Vendor"). The Vendor owned the entire issued shares of Jiahao and was a company incorporated under the laws of the Cayman Island with limited liability (principally engaged in investment holding). According to the then information available to the Company, the Vendor was held as to 20% by Max Leap Group Limited and 80% by Beagle (Cayman Holdings) Limited. Mr. Chen Zhixiong was the ultimate beneficial owner of the entire share capital of Max Leap Group Limited, and Beagle (Cayman Holdings) Limited was a portfolio company of Asia Opportunity Fund III, L.P., whose general partner was Unitas Capital Equity Partners III, L.P.. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owners was an independent third party.

## 管理層討論及分析(續)

### 嘉豪減值的分析

#### 收購嘉豪的背景

受國民經濟發展、城鎮化率提高、消費升級提升以及消費場景變化的驅動，中國餐飲服務市場呈現穩步快速增長。隨著餐飲行業進一步向連鎖化、標準化方向發展，餐廳對於具備高質量、高穩定性及個性化的調味品需求進一步增長。收購嘉豪符合本集團「在味覺系快消品領域，以消費者需求為引擎的同心多元化」戰略，同時也是本集團進入調味品市場的優質選擇，嘉豪將擴大本集團的經營範圍和收入來源、優化業務結構，為股東創造更多價值。

#### 收購嘉豪

本集團通過前期招標程序，於2018年6月28日本公司之全資附屬公司New Generation Global Limited與獨立第三方簽署協議，以現金代價約695,985,000美元(折合約人民幣4,745,437,000元)收購嘉豪的100%權益。嘉豪主要在中國從事生產、銷售、行銷及分銷調味品產品。本集團已於2018年9月4日完成收購嘉豪並對其有效控制。在作出是項收購後，本集團將聚焦味覺系快消品之配套產品，包括香精產品、添加劑、配料及包裝材料、調味品等細分市場之產品，預期可發揮協同效應作用。收購產生的商譽約人民幣3,635,550,000元乃來自於整合本集團及嘉豪之經營後預期產生的協同效應和經營效益。

該獨立第三方為Worldwide Jiahao Holdings Limited (「賣方」)，賣方擁有目標公司之全部已發行股份並為根據開曼群島法律註冊成立之有限公司(主要從事投資控股)。根據本公司當時可得資料，賣方由Max Leap Group Limited及Beagle (Cayman Holdings) Limited分別持有20%及80%權益。Chen Zhixiong先生為Max Leap Group Limited全部股本之最終實益擁有人，而Beagle (Cayman Holdings) Limited為Asia Opportunity Fund III, L.P.之投資組合公司，而後者之普通合夥人為Unitas Capital Equity Partners III, L.P.。據董事經作出一切合理查詢後所深知、盡悉及確信，賣方及其最終實益擁有人各自為獨立第三方。

## Management Discussion and Analysis (cont'd)

### Size of transaction in acquisition of Jiahao

As one of the percentage ratios pursuant to the Listing Rules applicable to the acquisition of Jiahao exceeded 25% but all applicable percentage ratios were less than 100%, the acquisition of Jiahao constituted a major transaction of the Company and was subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. Pursuant to Rule 14.44 of the Listing Rules, written approval from each controlling shareholders (with aggregate shareholding representing 73.6% of the then total issued Shares with voting rights of the Company) in connection with the relevant sale and purchase agreement and the transactions contemplated thereunder was obtained in lieu of holding a general meeting of the Company to approve the acquisition of Jiahao.

### The background of Jiahao's goodwill impairment

During the outbreak of the Pandemic at the beginning of 2020 and its subsequent spread to the whole country, various contingency measures were adopted by the government of the PRC such as an extension of the Chinese new year holidays, as well as travel and work restrictions, temporary suspension of various daily consumption activities including those of retail and catering, resulting in a significant decrease in the sales revenue of Jiahao, which is principally engaged in the production, sales, marketing and distribution of condiment products in the PRC, for the six months ended 30 June 2020, representing a year-on-year decrease of approximately 53%.

Given that the sales of Jiahao would drop significantly for the six months ended 30 June 2020, an impairment indicator for the goodwill of the CGU of Jiahao ("Jiahao CGU") would be existed. To this, the management of the Group, with the assistance of an independent valuer, has reassessed the key assumptions for impairment testing of goodwill in June 2020, in order to determine the recoverable amount of Jiahao CGU. Based on the results of the impairment test, the recoverable amount of Jiahao CGU as at 30 June 2020 was RMB495,498,000 lower than the carrying amount. Therefore, the Group recognised the impairment of goodwill of RMB495,498,000 for the six months ended 30 June 2020.

## 管理層討論及分析(續)

### 收購嘉豪的交易規模

由於其中一項根據上市規則適用於收購嘉豪之百分比率超過25%，但所有適用百分比率低於100%，故根據上市規則第十四章，收購嘉豪於當時構成本公司一項主要交易並已遵守申報、公告、通函及股東批准之規定。根據上市規則第14.44條，本公司當時已取得控股股東（相當於本公司具投票權之當時已發行股份總數之約73.6%）各自有關買賣協議及其項下擬進行交易之書面批准，以取代舉行本公司之股東大會以批准收購嘉豪。

### 嘉豪商譽減值的背景

新冠肺炎疫情於2020年初期間在中國爆發乃至其後擴散全國，中國政府採取了各種應急措施，例如延長春節假期，施行差旅及工作限制，暫停各種（包括零售及餐飲）日常消費活動，令到嘉豪（其為主要在中國從事調味品生產、銷售、營銷及分銷業務）於截至2020年6月30日止六個月的銷售額大幅下降，與去年同期相比下降了約53%。

鑒於預計嘉豪截至2020年6月30日止六個月的銷售額大幅下滑，嘉豪所屬現金產生單位（「嘉豪CGU」）的商譽將存在減值跡象。為此，本集團管理層在獨立評估師的協助下，於2020年6月重新評估了關鍵假設來進行商譽減值測試，以得出嘉豪CGU的可收回金額。根據該減值測試的結果，嘉豪CGU於2020年6月30日的可收回金額較賬面價值低了人民幣495,498,000元，因此本集團於截至2020年6月30日止6個月確認商譽減值人民幣495,498,000元。

## Management Discussion and Analysis (cont'd)

### The reasons for the recognition of the impairment of the goodwill

To control the Pandemic, which broke out during the Chinese New Year in 2020, the Chinese government adopted measures to restrict the gathering and movement of people, resulting in an inevitable temporary suspension of various business activities. The catering business is an industry that depends on people's gathering and offline service experience. The need to prevent and control the Pandemic had inevitably forced the catering businesses to temporarily suspend their operations or significantly reduce their operating hours, resulting in a significant decline of the revenue of the catering enterprises. According to the National Bureau of Statistics, revenue from China's catering industry in the first half of 2020 fell sharply with a year-on-year decrease of 32.8%, making it one of the most severely hit industries in the Pandemic. Even so, the catering enterprises still needed to spend substantial amounts on rent, labour and raw materials. With the significant drop in revenue, rigid fixed costs have made the catering enterprise unable to make the ends meet and the cash flow is tight. Against such difficult business environment where catering enterprises were faced with double pressure from operation and cash flow, the demand for purchase of condiment products by catering enterprises declined significantly.

According to a report issued by the International Monetary Fund in June 2020, China's economy is likely to achieve a modest growth of 1% in 2020. Nonetheless, this increase represents a significant difference as compared with the increase of 6.1% during the same period in 2019. The slowdown in economic growth will certainly have an impact on consumers' consumption power as people will be more cautious when they go out to spend. In addition, although the Pandemic has been effectively prevented and controlled in mainland China and the revenue of the catering industry has also started to pick up, the revenue of the catering industry in July, according to the National Bureau of Statistics, still recorded a year-on-year decrease of 11.0%. The management expects the revenue of the catering industry this year to fall significantly as compared with the same period last year. Jiahao is a B2B (business-to-business) condiment company focusing on the sales of various condiments to catering enterprises. Jiahao does not sell condiment products through retail channels such as supermarkets and convenience stores, and etc. The sales revenue of Jiahao is expected to drop, in response to the significant decline of demand from the catering enterprises. We have already begun to adjust our product mix and strengthen our sales effort. However, based on the judgement that both the macro economy and the sales of the catering industry for this year would drop in comparison to the same period last year, the Group considers the performance of condiment segment for 2020 will not be able to measure up to that in 2019.

## 管理層討論及分析(續)

### 確認商譽減值的原因

於2020年初春節期間，為了防控疫情，中國政府採取措施限制人群聚集和流動，使各項商業活動不得不暫時停止。餐飲服務業是一個強調聚集性和線下服務體驗的行業，防控疫情的需要使得餐飲行業不得不暫停營業或者大幅度縮減營業時間，這導致餐飲企業收入大幅下降。根據國家統計局數據，2020年上半年，中國餐飲行業收入同比大幅下滑32.8%，成為受到疫情打擊最為嚴重的行業之一。儘管如此，餐飲企業仍然需要支付高額的租金、人力及原材料費用。收入大幅下降加上剛性的固定成本支出，使餐飲企業入不敷出，現金流緊張。餐飲企業面臨著經營和資金的雙重壓力。在這種艱難的經營環境下，餐飲企業對調味品的採購需求大幅下降。

根據國際貨幣基金組織於2020年6月發布的報告，中國經濟在2020年可能會有1%的微弱增長。雖然如此，這一增幅與2019年同期6.1%的增幅相比有較大差距。經濟增長放緩會對消費者的消費能力產生一定影響，消費者在外出消費時會更為謹慎。此外，雖然疫情在中國內地已經得到有效的防控，餐飲業收入也開始回升。但據國家統計局公佈的數據，7月份餐飲收入仍然同比下降11.0%。管理層預計，餐飲行業今年全年的收入與去年同期相比會有較大的降幅。嘉豪是一家B2B（企業對企業）的調味品公司，專注於向餐飲企業銷售不同的調味品，嘉豪並不通過超市、便利店等零售管道銷售調味品產品。在餐飲企業需求大幅下降的情況下，嘉豪的銷售額會相應下滑。我們已經著手調整產品結構及加強銷售力度，但是基於對今年宏觀經濟和餐飲業收入同比下滑的判斷，本集團認為調味品業務板塊今年的表現會遜於2019年的表現。

## Management Discussion and Analysis (cont'd)

## 管理層討論及分析(續)

In the long run, the Pandemic has brought about certain changes to and impacts on the business environment and business model of the catering enterprises, as well as the lifestyle and consumption patterns of the consumers. Considering the recurrence nature of the Pandemic, the catering enterprises may consider changing their business model and expanding more online sales channels. By switching from offline channel to online sales channel in fulfilling customers' demand for products and services, the catering enterprises will need more time to explore and meet customers' needs, and they will face the challenge in retaining and securing their customer bases. On the other hand, consumers will reduce unnecessary business trips and gatherings with online alternatives, thereby reducing the frequency of dining out in restaurants. As a result, the business model and prospect of the catering industry in the post-Pandemic era will be exposed to a greater uncertainty. Whether or not the catering industry will be able to completely resume or even surpass its level before the Pandemic depends on the recovery of China's overall economy as well as the situation of the prevention and control of the Pandemic.

長期來看，疫情對餐飲企業的經營環境和經營模式，以及消費者的生活和消費模式都帶來了一定的變化和影響。鑑於疫情反復，餐飲企業可能會考慮轉變商業模式，拓展更多的線上銷售管道。從線下轉入線上管道銷售產品及服務客戶，餐飲企業需要更多的時間去挖掘客戶和滿足客戶需求，餐飲企業將面臨著是否能夠保留和穩固客戶群的挑戰。消費者則會減少不必要的商務旅行及聚會，透過線上方式替代完成，從而減少在餐廳消費的頻率。因此，後疫情時代的餐飲行業的經營模式和前景將面臨更大的不確定性，餐飲行業要完全恢復甚至超越疫情前的水準，需要視乎中國宏觀經濟恢復的情況以及疫情的防控情況。

In summary, based on the applicable accounting principles on a prudent basis, the management conducted an impairment test on the CGU to which Jiahao belongs and eventually recognised the impairment.

綜上所述，基於審慎及適當會計原則，管理層對嘉豪商譽所屬現金產生單位進行減值測試，並最終確認減值。

### The process and considerations in handling the goodwill impairment

### 處理商譽減值的過程和考慮因素

According to HKAS 36 "Impairment of Assets" ("HKAS 36"), the goodwill impairment is conducted annually, or more frequently if changes in events or circumstances indicate a potential impairment. As we understand, the Pandemic that broke out in China in the beginning of 2020 and subsequently spread to the whole country, was caused by a new type of coronavirus. At the early stage of the Pandemic, no one was able to perceive the spread, the prevention and control of the Pandemic as well as its impact on the society and the people's livelihood. As such, the Company was unable to assess the extent of the impact on the business of Jiahao and quantify the impact. Nevertheless, the Company has been closely monitoring the development of the Pandemic as well as prevention and control measures and their effectiveness since the outbreak of the Pandemic. When the Pandemic gradually stabilised, an evaluation was conducted by the management of the Company during the second quarter of 2020. It indicated that although the sales of condiments rebounded somewhat in June 2020 as compared with those from the months of January to May, considering the recurrence nature of the Pandemic which is still raging outside of Mainland China and has a relatively far-reaching impact on the catering industry, as well as the evolving changes in the operating model and structure of the catering industry, the future business growth of Jiahao, as an upstream enterprise in the catering industry, is still uncertain and subject to the prevention and control situation of the Pandemic as well as the extent of economic recovery. To this end, in June 2020, the management reviewed and reassessed the key assumptions used in the calculation of value in use ("VIU") and conducted an impairment test of goodwill to determine the recoverable amount of Jiahao CGU.

根據香港會計準則第36號「資產減值」(「香港會計準則第36號」)，對商譽的減值檢討每年進行，或如事件或情況轉變顯示可能存在減值，則更頻密地檢討。據瞭解疫情在2020年初期間在中國爆發乃至其後擴散全國。此疫情是由一種新型冠狀病毒引起的，在疫情爆發的初期，大家對疫情的擴散、防控，以及疫情對社會和人們生活影響的認識並不清晰。因此，本公司在疫情的初期無法評估疫情對嘉豪業務的影響程度和具體金額。惟公司一直密切關注疫情的發展，防控措施和成效等，在2020年第二季度，疫情漸趨平穩時，經公司管理層評估，雖然2020年6月相比1月至5月調味品銷售已有所回升，但考慮到疫情的反復性和在中國內地以外仍在持續且對餐飲行業影響比較深遠，同時也察覺到餐飲行業正產生市場經營模式和結構變化，作為餐飲行業的上游企業，嘉豪未來的業務增長仍然受限於疫情控制及經濟復蘇等的情況，並存在不確定性。對此，管理層於2020年6月在獨立評估師的協助下審查並重新評估了使用價值(「使用價值」)計算中使用的關鍵假設，並進行商譽減值測試以確定嘉豪CGU的可收回金額。

## Management Discussion and Analysis (cont'd)

The impairment on goodwill of Jiahao CGU was caused by the outbreak and spread of the Pandemic and the continuing impact it has on the catering industry, which could not be anticipated by the Company when Jiahao was acquired in September 2018, nor at the end of the last financial year on 31 December 2019.

### The methodology, key assumptions adopted in calculating Jiahao CGU'S VIU

In accordance with HKAS 36, the Company performed a goodwill impairment test on Jiahao CGU on 30 June 2020, the valuation benchmark date, and conducted a value analysis to determine the recoverable amount of Jiahao CGU. According to the standard, the recoverable amount of the CGU is determined on the higher of the fair value less the costs of disposal ("FVL COD") and VIU. Taking into account the synergy between Jiahao CGU and the Group, the Group considered that FVL COD would not be higher than VIU and therefore VIU was taken as the value basis of the impairment test. In this impairment test, the Company applied the income approach to calculate the VIU of Jiahao CGU, which was based on a five-year net cash-flow projection of Jiahao CGU. Cash flows beyond the five-year period were calculated using the terminal growth rate, and the present value of such net cash-flows were calculated using an appropriate discount rate.

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

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

### Changes in major value of the inputs and key assumptions

The Company has engaged Avista Valuation Advisory Limited, an independent valuer (the "Valuer"), to conduct an impairment test on goodwill of Jiahao CGU as at 30 June 2020 (the "Impairment Test").

## 管理層討論及分析(續)

這次嘉豪CGU的商譽減值是因為疫情的爆發、擴散和其持續的對餐飲行業的影響而造成的，並非公司在2018年9月收購嘉豪和在2019年12月31日上一財政年度年結日時可以預期到的。

### 計算嘉豪CGU的使用價值所採用的方法、基準和關鍵假設

本公司根據香港會計準則第36號進行商譽減值測試，對嘉豪CGU於2020年6月30日為評估基準日進行了價值分析以評估嘉豪CGU的可收回金額。根據準則，現金產生單位的可收回金額為公允價值減去處置費用(fair value less costs of disposal)(「FVL COD」)及其使用價值兩者中取較高者。考慮到嘉豪CGU與本集團的協同效應，本集團認為FVL COD不會高於使用價值，因此採用使用價值作為減值測試的價值基礎。在這次減值測試中，本公司採用收益法以計算嘉豪CGU的使用價值，此乃基於嘉豪CGU的五年期的淨現金流量預測，超逾五年期的現金流量使用永續年增長率計算，並以合適之折現率來計算該淨現金流之現值。

在計算嘉豪CGU的使用價值所採用的關鍵假設和基準如下：

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

### 主要輸入數據和關鍵假設的變動

本公司聘請了獨立評估師艾華迪評估諮詢有限公司(「評估師」)為嘉豪CGU於2020年6月30日之商譽進行減值測試(「本測試」)。

## Management Discussion and Analysis (cont'd)

The Valuer used the income approach in the Impairment Test, which is consistent with the valuation methodology used in the previous impairment test of Jiahao CGU. Comparing certain major value of the inputs and key assumptions used in determining the VIU of Jiahao CGU as at 30 June 2020 against those used in assessing the VIU of Jiahao CGU as at 31 December 2019, major changes are as follows:

Major value of inputs/key assumptions	VIU assessment as at 30 June 2020	VIU assessment as at 31 December 2019
Forecast five-year sales growth rate	-17.8% to 47.0%	3.0% to 29.3%

### Reasons for change

Affected by the Pandemic in the first half of 2020, the business of the catering industry was suspended for a period of time, resulting in unsatisfactory results of Jiahao CGU during the period. Considering the recurrence nature of the Pandemic which is still raging outside of Mainland China and has a relatively far-reaching impact on the catering industry, as well as the evolving changes to the operating model and structure of the catering industry, the future business growth of Jiahao, as an upstream enterprise in the catering industry, is still uncertain and subject to the prevention and control situation of the Pandemic as well as the extent of economic recovery. As such, the management has made a downward adjustment to the sales revenue for the forecast period. The updated sales growth for the forecast period was derived primarily from the combined data analysis of sales contracts signed, progress of new customer development and historical turnover rate, as well as the results in the first half of 2020 and the actual condition of recovery in June. In particular, the forecast sales growth for 2020 was downward adjusted to -17.8%, and the forecast sales revenue for the period between 2021 to 2024 was downward adjusted by 25.9% to 36.2% from the forecast for the same period made at the end of 2019. Due to a reduced base amount, the corresponding forecast sales growth was adjusted to 13.6% to 47.0%.

## 管理層討論及分析(續)

評估師於本測試中採用收益法，與嘉豪CGU過往的減值測試所採用的評估方法一致，沒有變化。評估師於釐定嘉豪CGU於2020年6月30日之使用價值時，與本公司評估嘉豪CGU於2019年12月31日之使用價值時所採用的若干主要輸入數據和關鍵假設有以下主要變動：

主要輸入數據／ 關鍵假設	2020年6月30日 之使用價值評估	2019年12月31日 之使用價值評估
五年預計銷售 增長率	-17.8%至47.0%	3.0% 至29.3%

### 變動原因

2020年上半年餐飲業受新冠肺炎疫情影響，有一段時間需停運，因此嘉豪CGU業務於此期間未如理想。考慮到疫情的反復性和在中國內地以外仍在持續且對餐飲行業影響比較深遠，同時也察覺到餐飲行業正產生了市場經營模式和結構變化等，作為餐飲行業的上遊企業，嘉豪未來的業務增長仍然受限於新冠肺炎疫情控制及經濟復蘇等的情況，並存在不確定性。因此，管理層下調了預測期的銷售收入。更新後的預測期銷售增長率主要結合已簽訂的銷售合同、新客戶開發進度及歷史流失率等資料分析，並根據2020年上半年的業績以及6月的實際恢復情況來制定，其中2020年預測銷售增長率下調至-17.8%，預測期間2021年至2024年銷售收入金額相比2019年底對此預測期間的預測銷售收入金額下調25.9%–36.2%，由於基數下降，其對應的預測銷售增長率相應調整為13.6%–47.0%。

## Management Discussion and Analysis (cont'd)

Major value of inputs/key assumptions	VIU assessment as at 30 June 2020	VIU assessment as at 31 December 2019
Budgeted gross profit margin	58.7% - 60.7%	55.8% - 62.7%

### Reasons for change

Due to the Pandemic which resulted in sales promotions in form of reduced prices, the management reduced the budgeted gross profit margin of 2020 to 58.7% from the forecast of 62.7% made at the end of 2019. However, as some of the products with lower gross profit margin are expected to gradually shift from external processing to self-production, and the product portfolio and marketing strategy will be adjusted by the management by increasing the revenue share of products with higher gross profit margin in the future, the budgeted gross profit margins for years 2021 to 2024 have been adjusted to 59.9% to 60.7%.

Major value of inputs/key assumptions	VIU assessment as at 30 June 2020	VIU assessment as at 31 December 2019
Pre-tax discount rate	Pre-tax discount rate of 13.4% (approximately equivalent to post-tax discount rate of 12.0%)	Pre-tax discount rate of 13.5% (approximately equivalent to post-tax discount rate of 12.0%)

### Reasons for change

The Valuer determined the post-tax discount rate based on WACC. Considering the increased risk resulted from the operational uncertainty due to the Pandemic, Jiahao's risk premium was increased by 2%. The equity risk premium also increased during the period. Considering the low-interest policy which resulted in the decline of risk-free interest rate and the combined effect of other factors, the post-tax discount rate was calculated as 12.0%, which is the same as the post-tax discount rate adopted at the end of 2019. With reference to the post-tax discount rate, the Valuer calculated the corresponding pre-tax discount rate according to pre-tax cash flows through an iterative process.

### The Board's conclusion

The Board considers that the valuation methodology and key assumptions used in the above calculation of the VIU of Jiahao CGU impairment test of goodwill, have been consistently adopted by the Company, and are fair and reasonable. Meanwhile, the basis of this calculation and the key assumptions used have been projected and determined by the management based on the past performance of Jiahao CGU, the management's knowledge and experience of the market and the actual situation, which are fair and reasonable.

## 管理層討論及分析(續)

主要輸入數據／ 關鍵假設	2020年6月30日 之使用價值評估	2019年12月31日 之使用價值評估
預計毛利率	58.7%-60.7%	55.8%-62.7%

### 變動原因

由於受疫情影響促銷降價，管理層將2020年預測毛利率從2019年底預測的62.7%下調至58.7%，但基於預計未來部分低毛利率的產品由代加工逐漸轉為自產，同時，管理層將會調整產品組合和營銷策略，未來會提高毛利率較高產品的收入占比，因此將2021年至2024年的預測毛利率調整至59.9%-60.7%。

主要輸入數據／ 關鍵假設	2020年6月30日 之使用價值評估	2019年12月31日 之使用價值評估
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稅前貼現率	稅前貼現率13.4% (約等於稅後貼現率 12.0%)	稅前貼現率 13.5% (約等於 稅後貼現率 12.0%)
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### 變動原因

評估師是採用WACC作為稅後貼現率，其中考慮到疫情影響帶來的經營不確定性導致風險上升，因此將嘉豪風險溢價上調2%，同時股本風險溢價在此期間也有所上升；而考慮到降息政策導致無風險利率下降，經綜合其他因素計算的稅後貼現率為12.0%，與2019年底採用的稅後貼現率一樣。參考採用的稅後貼現率，評估師通過一個迭代的過程，按稅前現金流計算對應的稅前折現率。

### 董事會的結論

董事會認為以上計算嘉豪CGU使用價值、商譽測試及減值所採用的估值方法及關鍵假設是公司一直沿用的，乃公平合理。同時，本次計算的基準和使用的關鍵假設是由管理層根據嘉豪CGU過往業績、其對市場的瞭解和經驗，並結合實際情況而預測和制定的，乃公平合理。

## Management Discussion and Analysis (cont'd)

### BUSINESS REVIEW

#### Review of the flavours and fragrances business

During the Reporting Period, sales revenue of the flavours and fragrances business of the Group amounted to approximately RMB931 million, representing a year-on-year decrease of approximately 3.8% and accounting for approximately 54.3% of the Group's total revenue. Operating profit of the segment amounted to approximately RMB582 million, representing a year-on-year increase of approximately 0.1%. EBIT margin was approximately 62.5%, representing a year-on-year increase of approximately 2.4 percentage points. The decrease in revenue of the flavours and fragrances business segment was mainly attributable to the decrease in demand from downstream customers. The operating profit margin recorded a slight increase, mainly attributable to the decrease in expenses.

In the first half of 2020, the Group took measures to prevent and control the Pandemic while actively organised the resumption of work and production. The Group strengthened its technology upgrade and R&D in new products, optimised its product mix, and strived to minimise impact of the Pandemic to stabilise operation. Despite the disruption of normal business activities by the Pandemic, the Group has assured the timely and efficient deliveries of goods and services through reasonable arrangements of logistics and human resources. Faced with the tough and complex economic condition domestically and internationally, the Group was committed to its market-orientation and explore new trends, new technologies, and new areas in the development of both domestic and overseas flavours markets. The Group continued to adjust its product mix, propel the upgrade of customers' existing products, and boost the penetration rate in its customers' existing products.

## 管理層討論及分析(續)

### 業務回顧

#### 香精業務回顧

本報告期內，本集團香精業務銷售收入約人民幣9.31億元，同比減少約3.8%，佔整個集團的收入約54.3%。板塊營運盈利達約人民幣5.82億元，同比增加約0.1%；EBIT率達約62.5%，同比增加約2.4個百分點。香精板塊收入下降主要由於下游客戶需求減少，營運盈利率的輕微提升主要由於費用支出下降所致。

2020年上半年，集團在做好疫情防控的同時，積極組織復工復產，加強技術升級和新產品研發，優化公司產品結構，力爭將疫情的不利影響降到最低，保持整體經營穩定。雖然疫情阻礙了商業活動正常開展，但集團透過對物流及人力資源的合理安排，使集團在貨品交付和服務上依然準時高效。面對國內外嚴峻複雜的經濟形勢，集團堅持以市場需求為出發點，深度挖掘國內外香精行業發展的新趨勢、新技術、新領域，不斷調整產品結構，推動客戶現有產品的升級換代，提高對客戶現有產品的市場滲透率。



## Management Discussion and Analysis (cont'd)

### (1) Flavours

In terms of food flavours, the Group focused on the R&D of meat flavours to enhance its development and manufacturing capabilities in savoury flavours. Furthermore, the Group followed the natural and healthy consumption concept in the market and also carried out researches on extraction technologies for herbs, thirst-quenching foods, teas and other plants to provide consumers with more natural and functional products.

### (2) Fragrances

The Group recorded a growth in revenue from three main categories of products of the fragrances business, namely insect-repelling incenses, detergents and personal care products. During the Reporting Period, the Group launched a series of fragrances products in response to the surge of market demand for hand sanitizers, which were well received by the customers. In addition, the Group also developed and manufactured different fragrances for laundry beads to meet the consumers' demand for better products.

### Investment progress of the proceeds raised by the flavours and fragrances segment

As of 30 June 2020, the cumulative amount of the funds raised from the initial public offering of Huabao Flavours in 2018 that was dedicated for the "Huabao Yingtan Flavours and Ingredients Production Base Project" ("Huabao Yingtan Project") amounted to approximately RMB100.3829 million, representing an investment progress of approximately 9.70%; the cumulative amount of IPO Proceeds that was dedicated for the "Lhasa Pure Land Healthy Food Project" ("Huabao Lhasa Project") was approximately RMB17.7295 million, representing an investment progress of approximately 3.77%; the cumulative amount of IPO Proceeds that was dedicated for the "Huabao H&K Food Flavours and Food Technology Development Project" ("Huabao H&K Project") was approximately RMB170,500, representing an investment progress of approximately 0.11%. As of 30 June 2020, the balance of IPO Proceeds (including accumulated interest income received) amounted to approximately RMB1,665 million.

Considering the investment progress of the IPO proceeds, the development of the industry, changes in the external environment such as macroeconomic fluctuations, as well as the overall strategic deployment of the corporation, the Group has decided to postpone the targeted operation dates of certain investment projects. The Huabao Yingtan Project will be postponed to 31 December 2023. The Huabao Lhasa Project will be postponed to 31 December 2022. As for the Huabao H&K Project, it will be postponed to 31 December 2022.

## 管理層討論及分析(續)

### (1) 食用香精

食品用香精方面，集團著重肉製品香精的研發，提升了在鹹味香精領域的研發和製造能力。此外，集團順應市場天然、健康消費理念，開展了草本類、生津類、茶類等方面植物提取技術的研究，為消費者提供更多天然及功能性的產品。

### (2) 日用香精

日用香精業務方面，集團在熏香消殺、洗滌用品及個人護理三個主要產品類別的收入均有所增長。本報告期內，市場對洗手液需求大增，集團相應推出一系列香精產品，受到客戶歡迎。此外，集團還研發和生產了不同香氣的用於洗衣凝珠的香精，滿足消費者對更高級產品的需求。

### 香精業務募集資金投資進度

截至2020年6月30日，「華寶鷹潭食品用香精及食品配料生產基地項目（以下簡稱「華寶鷹潭項目」）」使用華寶股份於2018年首次公開募股資金累計約人民幣10,038.29萬元，投資進度約9.70%；「華寶拉薩淨土健康食品項目（以下簡稱「華寶拉薩項目」）」使用募集資金累計約人民幣1,772.95萬元，投資進度約3.77%；「華寶孔雀食品用香精及食品技術研發項目（以下簡稱「華寶孔雀項目」）」使用募集資金累計約人民幣17.05萬元，投資進度約0.11%。截至2020年6月30日止，尚未使用的募集資金餘額（包括累計收到的利息收入）約人民幣16.65億元。

考慮募集資金投資項目的實施進度及行業發展、宏觀經濟波動等外部環境變化因素以及公司整體戰略規劃佈局，經審慎研究，集團決定對部分募投項目達到預定可使用狀態日期進行延期。華寶鷹潭項目延期至2023年12月31日；華寶拉薩項目延期至2022年12月31日；華寶孔雀項目延期至2022年12月31日。

## Management Discussion and Analysis (cont'd)

### Review of the tobacco raw materials business

During the Reporting Period, sales revenue of the Group's tobacco raw materials business was approximately RMB303 million, representing a year-on-year decrease of approximately 17.1% and accounting for approximately 17.7% of the Group's total revenue. The operating profit of the segment amounted to approximately RMB115 million, representing a year-on-year decrease of approximately 12.8%. EBIT margin was approximately 38.0%, representing an increase of 1.9 percentage points as compared with the corresponding period last year. The decrease in the sales revenue of this segment was mainly attributable to weak market demand for RTL and the fierce competition in cigarette capsules that resulted in lower prices and sales volume for cigarette capsule products.

#### (1) RTL

During the Reporting Period, the tobacco industry continued to increase its efforts in consuming the tobacco leaf inventory, resulting in weak market demand for RTL. In response to such challenge, the Group actively explored new customers and successfully secured new overseas markets for its products. Moreover, HNB tobacco products have been popular among consumers in overseas markets and were recognised as "less harmful" by regulatory authorities, which drew market attention and increased demand for raw materials related to HNB tobacco products. To prepare for the potential market opportunities, the Group's R&D team as well as marketing team performed in-depth research and analysis on the market size, application, composition, processes and regulatory policies in relation to raw materials of HNB tobacco products to prepare for possible market opportunities.

#### (2) Tobacco new materials

The sales of cigarette capsule has experienced a rapid growth in the past few years. However, as the sense of novelty subsides and the market competition intensifies, the cigarette capsule business has been under the pressure of both slow market growth and falling prices. During the Reporting Period, leveraging its technological and manufacturing advantages in the industry, the Group won the trust of its customers by providing them with high quality and appealing capsule products. The Group's market reach has also expanded by marketing the capsule products to overseas customers. In addition, the Group leveraged competitive edge in manufacturing and taste modulation capabilities to market its capsule products to food manufacturers, aiming to develop more business and seek for new growth point for the segment.

## 管理層討論及分析(續)

### 煙用原料業務回顧

本報告期內，本集團煙用原料業務銷售收入約人民幣3.03億元，同比下降約17.1%，佔整個集團的收入約17.7%。板塊營運盈利約人民幣1.15億元，同比下降約12.8%，EBIT率約38.0%，與去年同期相比提升約1.9個百分點。板塊銷售收入下滑主要由於再造煙葉市場需求疲弱，以及煙用膠囊行業競爭激烈導致煙用膠囊產品銷量及價格下滑所致。

#### (1) 再造煙葉

本報告期內，煙草行業繼續加大力度消耗煙葉庫存，導致市場對再造煙葉的需求疲弱。面對挑戰，集團積極拓展新的客戶，成功為產品尋找到新的海外市場。此外，加熱不燃燒煙草製品在海外市場受到消費者的歡迎和監管機構「減害」的認可，提升了市場對加熱不燃燒煙草製品相關原材料的關注和需求。集團的研發及市場團隊對加熱不燃燒煙草製品相關原材料的市場規模、應用、成分、工藝和監管政策進行深入研究和分析，為可能出現的市場機會做好準備。

#### (2) 捲煙新材料

煙用膠囊的銷量在過去幾年經歷了高速增長，但隨著消費者新鮮感漸退及市場競爭的加劇，煙用膠囊面臨著市場需求增長放緩和價格下滑的雙重壓力。本報告期內，集團透過在行業的技術和生產優勢，為客戶提供品質高、口感好的膠囊產品，贏得客戶信任。集團還向海外客戶銷售了膠囊產品，拓展市場範圍。此外，集團利用在膠囊製造技術和口味調配方面的競爭優勢，把膠囊產品向食品製造商推廣，以開拓更多的業務，為板塊尋找新的增長點。

## Management Discussion and Analysis (cont'd)

### Review of the aroma raw materials business

During the Reporting Period, the Group's aroma raw materials business recorded a sales revenue of approximately RMB302 million, representing a year-on-year decrease of approximately 15.9% and accounting for approximately 17.6% of the Group's total revenue. The operating profit of the segment was approximately RMB38.82 million, representing a year-on-year decrease of approximately 38.9%. EBIT margin was approximately 12.8%, representing a year-on-year decrease of approximately 4.9 percentage points. The decrease in the sales revenue and profit of this segment was attributable to reduced market demand and lower product prices.

Affected by the Pandemic, domestic and overseas clients' demand for aroma raw materials dropped. Besides, the US-China trade war also increased the pressure on aroma raw materials products to cut prices in the overseas market. As the market demand was very limited, aroma raw materials enterprises had to take measures such as cutting price to take up capacity and reduce inventory in face of intense competition in the aroma raw materials industry.

Despite the gloomy external operation environment, Zhaoqing Perfumery Co., Ltd. (Guangdong) was able to maintain its prices at a relatively stable level, thanks to its long acclaimed reputation in brand image, quality products and solid customer relationship.

During the Reporting Period, Phase I and Phase II Projects of Jiangxi Xianghai have been completed and put into production currently, enabling the mass production of furanone, m-Aminophenol and sulfurol products. However, in light of the current domestic and global economic downturn and sluggish market sentiment, Jiangxi Xianghai's production lines cannot be fully utilised at the moment. Jiangxi Xianghai will closely monitor the market demand and industry developments for flexible adjustments in its operation.

### Review of condiment business

During the Reporting Period, the sales revenue of the Group's condiment business was approximately RMB177 million, representing a significant year-on-year decrease of approximately 52.9% and accounting for approximately 10.3% of the Group's total revenue. Its operating loss was approximately RMB525 million. During the outbreak of the Pandemic in the beginning of 2020, the Chinese government adopted various emergency measures, such as the extension of the Chinese New Year holidays, travelling and work restrictions, temporary suspension of daily consumption activities. The catering industry was severely affected and the downstream catering customers' demand for condiment dropped significantly during the Reporting Period, resulting in a substantial decline of sales revenue of this segment. Operating loss was mainly attributable to the recognition of impairment of goodwill of RMB495,498,000 for the CGU of Jiahao during the period (Please refer to section headed "IMPAIRMENT OF JIAHAO'S GOODWILL" for further details of CGU of Jiahao). Excluding the impairment of goodwill, the operating loss of the segment was approximately RMB29.88 million.

## 管理層討論及分析(續)

### 香原料業務回顧

本報告期內，本集團香原料業務銷售收入約人民幣3.02億元，同比下降約15.9%，佔整個集團收入約17.6%。板塊營運盈利約人民幣3,882萬元，同比減少約38.9%。EBIT率達約12.8%，同比減少約4.9個百分點。板塊銷售收入及利潤下降主要由於市場需求減少和產品價格下滑所致。

受到疫情影響，海內外客戶對香原料的需求下滑。中美貿易戰也使得香原料產品在海外的銷售價格面臨下調壓力。在市場需求有限的情況下，香原料行業的企業不得不透過降價等措施消化產能和庫存，香原料行業競爭激烈。

儘管外部經營環境不景氣，廣東省肇慶香料廠有限公司憑借積澱的品牌、優質的產品和穩固的客戶關係，使產品價格維持在相對穩定的水平。

本報告期內，江西香海一二期項目已經完成並投入生產，目前能夠規模化生產呋喃酮、間氨基苯酚及硫塞唑等產品。然而，在當前國內外經濟下滑、市場不景氣的大環境下，江西香海的生產線暫時不能夠充分利用。江西香海密切關注市場需求和行業狀況並靈活調整生產安排。

### 調味品業務回顧

本報告期內，本集團調味品業務銷售收入約人民幣1.77億元，同比大幅下降約52.9%，佔整個集團收入約10.3%。營運虧損約人民幣5.25億元。於2020年初，新冠肺炎疫情爆發期間，中國政府採取了各種應急措施，例如延長春節假期，施行差旅及工作限制，暫停各種日常消費活動，其中餐飲行業受到的影響巨大，調味品板塊的下游餐飲客戶需求在報告期大幅下滑，令到板塊銷售收入大幅下降。營運虧損主要是由於本期嘉豪所屬現金產生單位確認商譽減值人民幣495,498,000元所致（有關嘉豪現金產生單位的更多詳情請參閱「嘉豪商譽減值」一節），撇除商譽減值的影響，板塊營運虧損約為人民幣2,988萬元。

## Management Discussion and Analysis (cont'd)

## 管理層討論及分析(續)

In the first half of 2020, catering industry was one of the most hard-hit industries by the Pandemic. Leading catering chains in China have made public statements that they were under the pressure of tight cash flow and continuing operation. In order to fight the Pandemic, downstream customers had to suspend their operations or shorten their business hours to cut costs, resulting in a sharp drop in the demand for the Group's products. During the Reporting Period, the Group continued to provide services to its customers by focusing on three aspects, namely products, distribution channels and marketing strategy.

In terms of product mix, Jiahao launched the 1-kg "Jingba Chicken Bouillon" and "Jingba Rich Flavoured Chicken Powder" as an additional choice for the customers, while consolidating the market position of its core products. When introducing new products, the R&D team will take consideration into market acceptance of the products. With "umami", "fragrance" and "spiciness" currently being the most popular tastes, the Group combined these flavours and launched the "Sour and Chilli Sauce" and "Rattan Pepper Sauce" in the market. By collecting feedback, the Group can improve its ability in market trend analysis and optimise its product mix.

In terms of distribution channels, Jiahao sold its products through distributors and its own sales teams. Jiahao optimised and integrated its distributor network and provide distributors with more resources and trainings. It also assisted distributors in inventory management and control, thus enhancing their sales efficiencies and capabilities. As for its own sales teams, they directly introduced Jiahao's products to end-customers and collected feedback and provided first-hand information for product development and service quality improvement. Currently, the sales revenue of Jiahao is mainly generated through distribution channels. In addition, Jiahao carried out promotional activities on its Tmall flagship store according to various sales festivals and themes to increase its online recognition.

In terms of marketing strategies, in the first half of 2020, the Group cancelled offline marketing activities and conducted online communication with customers instead. Jiahao published a series of analytical articles on how the catering enterprises were responding to the Pandemic and industrial development on its WeChat official account. It provided catering customers with practical and innovative business solutions and market insights to help them survive this difficult market situation. These articles received positive feedback and appreciation from customers, which further reinforced Jiahao's brand image and strength as the "Chinese tastes expert" in the minds of chefs.

2020年上半年，餐飲行業是受到疫情負面影響最大的行業之一，國內領先的連鎖餐飲企業也公開表示遇到現金流緊張和持續經營的壓力。為了抗疫，下游客戶暫停營業或者縮減營業時間以節省成本，導致對集團產品的需求大幅下降。於本報告期內，集團繼續從產品、渠道及營銷策略三個方面服務客戶。

產品結構方面，嘉豪推出一公斤裝的「勁霸雞汁」和「勁霸味香濃雞鮮粉」，為客戶提供更多選擇，鞏固其核心產品的市場地位。在推出新產品時，研發團隊會考慮產品在市場的接受程度。「鮮」、「香」、「辣」是目前較為流行的幾種口味，集團推出的「酸辣汁」和「籐椒辣鮮汁」將這幾種口味進行綜合，銷售至市場並收集反饋，提升對市場流行趨勢的分析能力，優化產品組合。

銷售渠道方面，嘉豪透過經銷商和自有銷售團隊銷售產品。經銷商方面，嘉豪對經銷商進行優化整合，向經銷商提供更多的資源和培訓，幫助經銷商管控庫存，提升經銷商的銷售效率和能力。自有銷售團隊方面，銷售團隊直接對接終端客戶，向客戶推介嘉豪的產品，並收集客戶的反饋，為產品研發和服務質素的改進提供一手信息。目前，嘉豪的主要銷售收入仍然來自於經銷商渠道。此外，嘉豪的天貓旗艦店會配合不同的消費節日和主題進行營銷活動，提升嘉豪在線上的知名度。

營銷策略方面，2020年上半年，集團取消了線下的營銷活動，並轉至線上與客戶進行溝通。嘉豪在其微信公眾號上發佈了一系列有關餐飲企業如何應對疫情及行業變化的分析文章，向餐飲客戶提供實用創新的商業解決方案和市場洞察，協助客戶渡過艱難的市場環境，得到了客戶的正面反饋和讚賞，也進一步深化了嘉豪在廚師們心中「中國味道專家」的品牌形象和實力。

## Management Discussion and Analysis (cont'd)

Around the end of the Reporting Period, the Pandemic has been effectively prevented and controlled in China and enterprises around the country have gradually returned to work. The catering industry is a service industry that involves mass gathering and the consumers highly value the offline dining environment and experience provided by catering enterprises. However, with the recurrence of the Pandemic, consumers have not been able to let their guard down and dine out. The catering industry is facing relatively significant adverse influence and impact in the short run under the recurring Pandemic. The development of the catering industry in the second half of the year remains largely uncertain and volatile. It is essential for the condiment enterprises to adjust their business objectives and strategies in accordance with the rapid changes in the business environment and customer needs.

Despite the enormous challenges and unfavourable factors for the short-term development facing the catering and condiment industry, the management believes that the favourable trend for the catering and condiment industry remain unchanged in the long-run. The management will continue to monitor the development in the industry, effectively plan and manage business development to achieve sustainable business growth.

## 管理層討論及分析(續)

於本報告期末前後，疫情在中國得到有效防控，企業已陸續復工，作為聚集性的服務業，消費者重視餐飲企業所提供的線下就餐環境和體驗，但疫情的反覆並沒有讓消費者完全放下戒備去餐廳消費。在疫情反覆的環境下，餐飲行業短期面臨的負面影響和衝擊仍然較大，餐飲行業在今年下半年的發展依然存在很大的不確定性和波動性。調味品企業需要根據經營環境和客戶需求的快速變化，策略性調整經營目標和戰略。

管理層認為，餐飲行業及調味品行業短期發展存在較大挑戰和不利因素，但長期向好的趨勢並未改變。管理層會持續監測行業發展，做好業務發展規劃和管理，實現長期業務增長。



## Management Discussion and Analysis (cont'd)

### Review of R&D

During the Reporting Period, the Group's investment in R&D was approximately RMB109 million. R&D expense accounted for approximately 6.3% of sales revenue, representing a year-on-year decrease of 0.2 percentage point.

In terms of flavours and fragrances, the Group was granted 4 invention patents and 16 utility patents in the first half of the year. The Group has put more effort in the research and application of novel emulsification, plant extraction, enzymatic hydrolysis and microcapsule embedding technologies. It fulfilled the customers' needs for product stability and innovation and helped them improve the flavours and tastes of their products. Huabao Flavours was granted the title of "Little Giant Enterprise of Jiading District in Science and Technology" in Shanghai.

For tobacco raw materials, the Group was granted a total of 10 patents, among which 5 were utility patents, 3 were invention patents and 2 were design patents. The technology in relation to HNB tobacco products was the main focus of the Group's R&D activities. The Group has obtained the invention patent of "HNB RTL extraction equipment" and the utility patent of "condenser and filter tip for HNB cigarettes". The Group believes that the analysis, R&D and preparation of technologies for raw materials of HNB tobacco products will contribute to the improvement of the Group's capability to develop related businesses in the future.

In terms of condiments, Jiahao released three papers jointly with Jiangnan University on Scientific Citation Index. These papers include "Improving the 3D printability of taro paste by the addition of additives", "A comparative study on hygroscopic and physicochemical properties of chicken powders obtained by different drying methods" and "Influence of low-temperature ball milling time on physicochemical properties, flavour, bioactive compounds contents and antioxidant activity of horseradish powder". Furthermore, Jiahao also submitted and won the second prize of the National Technology Invention Award for the work "Innovative technology and application of high-quality processing of prepared agro-foods based on efficient physical field coupling".

## 管理層討論及分析(續)

### 研發情況回顧

本報告期內，集團投入研發費用約人民幣1.09億元。研發費用佔據銷售收入的比例約為6.3%，同比減少約0.2個百分點。

香精方面，集團上半年獲得4項發明專利，16項實用新型專利。集團強化在新型乳化技術、植物提取技術、酶解技術和微膠囊包埋技術方面的研究和應用，滿足客戶對產品穩定性和創新性的要求，幫助客戶提升其產品的風味和口感。華寶股份獲得上海市「嘉定區科技小巨人」的稱號。

煙用原料方面，集團共獲得10項專利，其中5項為實用新型專利，3項為發明專利，2項為外觀設計專利。加熱不燃燒煙草製品相關技術是集團關注和研發的重點，集團取得了《加熱不燃燒再造煙葉提取設備》的發明專利和《一種加熱不燃燒捲煙用冷凝固件及濾嘴》的實用新型專利。集團相信，對加熱不燃燒煙草製品相關原材料技術的分析、研發和儲備將有助於提升集團在未來發展相關業務的能力。

調味品方面，嘉豪與江南大學聯合在《科學引文索引》上發表論文三篇，包括研究提高芋泥3D打印性能的「Improving the 3D printability of taro paste by the addition of additives」，干燥方法對雞粉吸濕性和理化特性影響的「A comparative study on hygroscopic and physicochemical properties of chicken powders obtained by different drying methods」以及低溫球磨時間對辣根粉特性研究「Influence of low-temperature ball milling time on physicochemical properties, flavor, bioactive compounds contents and antioxidant activity of horseradish powder」。此外，嘉豪還申報了題為《基於高效物理場協同調控的調理農產食品優質加工創新技術與應用》的國家技術發明二等獎。

## Management Discussion and Analysis (cont'd)

### OUTLOOK

In the area of flavours and fragrances, the Group will conduct specific R&D on flavours for use in HNB tobacco products, further improving the samples and database of related fragrances in such products. With the consumers' increased demand for natural and healthy functionalities in food and beverages, the Group will carry out in-depth R&D in natural and functional food flavours and related products, and strengthen the studies on the application of food flavours and food ingredients in plant protein-based meat and meat products, and develop related products. For tobacco raw materials, the Group will strengthen its market analysis and R&D investment in raw materials of HNB tobacco related products. For aroma raw materials, the Group will respond to the national call by increasing investments in environmental protection to ensure safe and sustainable development. As for condiments, the Group will promote Jiahao's "Chinese tastes expert" brand image through its sophisticated sales and marketing team, and will establish reliable partnership with distributors and users. Apart from the quality and diversified products, the Group also provides customers with value-added services such as gourmet solutions and market insights to enhance customers' brand loyalty. In terms of the establishment of the management system, the Group will facilitate the establishment of digital management system for the upgrade of management capabilities in each business segment. The Group will pinpoint its R&D strategies based on market demand and further strengthen the establishment of an open-ended R&D platform, and construct its own R&D innovation system around its core technologies to drive organic growth through technology upgrade and product innovation. The Group will continue to adhere to the "concentric diversification strategy", actively seek for synergetic opportunities for acquisitions along the upstream and downstream industry chain, and strengthen its competitiveness in the industry through further consolidation of its competitive advantages and brand image.

## 管理層討論及分析(續)

### 未來展望

香精方面，集團會有針對性的研發適用於加熱不燃燒煙草製品的香精產品，進一步完善相關煙用香精產品的樣品和數據庫。隨著消費者對食品飲料天然和健康功能的需求不斷上升，集團將深入開展天然及功能性食品用香精及相關產品的研發，並強化食品用香精及食品配料在植物蛋白肉和肉製品中的應用研究，開發相關產品。煙用原料方面，集團將強化在加熱不燃燒煙草製品相關原材料的市場分析和研發投入。香原料方面，集團會響應國家號召，提升在環保方面的投入，確保實現安全可持續的發展。調味品方面，集團將透過高水平的銷售和營銷團隊傳播嘉豪「中國味道專家」的品牌形象，與經銷商和用戶建立可靠的合作關係。除了提供優質多元的產品，集團還向客戶提供美食解決方案及市場洞察的增值服務，提升客戶的品牌忠誠度。在管理體系建設方面，加速創建數字化管理體制，促進各業務板塊管理升級。堅持以市場需求為導向的研發策略，加強開放式研發平台建設，圍繞核心技術構建華寶特色研發創新體系，通過技術升級和產品創新驅動內生增長。集團會繼續堅持和實施「同心多元化」的戰略，積極尋求產業鏈上下游能夠帶來協同效應的併購機會，進一步增強自身的競爭優勢和品牌實力，提升在行業中的競爭力。

## Management Discussion and Analysis (cont'd)

In the second half of 2020, the Chinese as well as the global economies are facing greater uncertainty. The Pandemic has further intensified the sentiment of trade protectionism and the intention to adjust supply chains across various countries and regions. The challenges and risks in terms of market access, supply chain management, pricing strategy and profitability, etc. will further intensify. Under the effective leadership, management and coordination of the Chinese government, the PRC has taken the lead in the prevention and control of the Pandemic as well as in the resumption of work and production. However, due to the recurrence of the Pandemic, there is still a significant gap in the production and operation of the enterprises as well as the macroeconomic environment when compared with the time before the Pandemic outbreak. Market demand and consumer sentiment have also not been able to quickly recover to pre-Pandemic levels. As such, the primary tasks of the enterprises at the moment is to maintain normal business operations. The management will continue to monitor the development of the Pandemic and adjust the operational and management strategies of various business segments accordingly, so as to minimise the negative impact of external environment on the Group. We will work with our employees, customers and other stakeholders to get through this difficult time.

The Group believes that the consumers' pursuit of better lives and tastes will remain unchanged. As long as we do a good job in products, services, operation and management, we will be able to find development opportunities despite the difficult environment.

## 管理層討論及分析(續)

2020年下半年，中國及全球經濟都面臨著更大的不確定性，疫情進一步激化了各個國家和地區的貿易保護主義情緒和供應鏈調整意願。企業在市場准入、供應鏈管理、定價策略、盈利能力等方面的挑戰和風險將進一步上升。在中國政府高效的領導、管理和協調之下，中國實現對疫情的防控，率先實現復工復產。然而，由於疫情反覆發作，企業的生產經營及宏觀經濟環境仍與疫情之前存在很大差距，市場需求及消費者情緒也未能夠迅速恢復到疫情前的水平，企業當前的首要任務是能夠維持正常的運轉和經營。管理層會繼續監測疫情的發展並相應調整各業務板塊的經營和管理策略，以將外部環境對集團的負面影響降到最少，與我們的員工、客戶及其它利益相關方共同渡過這一艱難時刻。

集團相信，消費者對美好生活和美味生活的追求並不會改變。只要我們做好產品、服務及營運管理，就能夠在艱難的環境中尋找到發展機遇。



## Management Discussion and Analysis (cont'd)

### FINANCIAL REVIEW

#### Analysis of interim results for the six months ended 30 June 2020

##### Revenue

The Group's revenue amounted to RMB1,715,710,000 for the six months ended 30 June 2020, representing a decrease of 17.1% as compared with RMB2,069,317,000 for the corresponding period last year. The decrease in the revenue was mainly attributable to the outbreak of the Pandemic at the beginning of 2020, various contingency measures were adopted by the PRC government such as an extension of the Chinese new year holiday, as well as travel and work restrictions, suspension of various daily consumption activities, etc., which posed impacts to all segments of the Group in various degrees. The catering industry was severely affected by the Pandemic, as a result, the sales revenue of the condiment segment of the Group for the current reporting period declined significantly as compared with the corresponding period last year.

Comparing the current reporting period with the six months ended 30 June 2019, revenue from flavours and fragrances decreased by 3.8% to RMB931,130,000; revenue from tobacco raw materials decreased by 17.1% to RMB303,391,000; revenue from aroma raw materials decreased by 15.9% to RMB302,268,000; and revenue from condiment decreased by 52.9% to RMB177,344,000.

##### Cost of goods sold

The Group's cost of goods sold amounted to RMB627,010,000 for the six months ended 30 June 2020, representing a decrease of 17.4% as compared with RMB758,856,000 for the corresponding period last year.

##### Gross profit and gross profit margin

The Group's gross profit decreased from RMB1,310,461,000 for the six months ended 30 June 2019 to RMB1,088,700,000 for the six months ended 30 June 2020, representing a decrease of approximately 16.9%. The Group's gross profit margin for the current reporting period remained stable, reaching 63.5%, which was basically the same as 63.3% in the same period last year.

## 管理層討論及分析(續)

### 財務狀況回顧

截至2020年6月30日止六個月的中期業績分析

##### 營業額

截至2020年6月30日止六個月，本集團的營業額達到人民幣1,715,710,000元，較去年同期的人民幣2,069,317,000元減少了17.1%。營業額的減少，主要是由於在2020年年初新冠肺炎疫情在全國爆發，中國政府在全國進行了防控工作，包括延長春節假期，施行差旅及工作限制，暫停各種日常消費活動等，對本集團各板塊造成不同程度的影響，其中，疫情對餐飲業造成嚴重打擊，以致本集團的調味品業務的銷售收入在本報告期與去年同期相比大幅下跌。

與截至2019年6月30日止六個月比較，本報告期香精的營業額減少了3.8%至人民幣931,130,000元；煙用原料的營業額減少了17.1%至人民幣303,391,000元；香原料的營業額減少了15.9%至人民幣302,268,000元；調味品的營業額減少了52.9%至人民幣177,344,000元。

##### 銷售成本

截至2020年6月30日止六個月，本集團的銷售成本為人民幣627,010,000元，較去年同期的人民幣758,856,000元減少了17.4%。

##### 毛利和毛利率

本集團的毛利由截至2019年6月30日止六個月的人民幣1,310,461,000元下降至截至2020年6月30日止六個月的人民幣1,088,700,000元，減少約16.9%。而本集團本報告期的毛利率保持穩定，達63.5%，與去年同期的63.3%基本持平。

## Management Discussion and Analysis (cont'd)

### Other income and other gains – net

Other income and other gains (net) of the Group was RMB149,935,000 for the six months ended 30 June 2020, representing an increase of RMB43,353,000 as compared with RMB106,582,000 for the corresponding period last year. The increase in other income and other gains was mainly due to an increase of currency exchange gain of RMB42,667,000 for the current period as compared with the corresponding period last year. The increase in currency exchange gain was mainly due to the Group's secured long-term loans (balance as at 30 June 2020: RMB1,860,474,000) were borrowed and settled by the Company in RMB, whereas the functional currency of the Company was HKD. During the current reporting period, the exchange rate of RMB against Hong Kong dollar fell, thus currency exchange gain was recognised.

### Selling and marketing expenses

The selling and marketing expenses of the Group comprised mainly travelling expenses, transportation cost, advertising and promotion expenses, salaries and office expenses, etc.. The selling and marketing expenses of the Group for the six months ended 30 June 2020 was RMB161,248,000, representing a decrease of 13.8% as compared with RMB187,160,000 for the corresponding period last year. It was mainly attributable to the decrease in transportation, travelling, sales and marketing activities during the current period. Selling and marketing expenses for the current reporting period accounted for approximately 9.4% of the total revenue, which was basically the same as approximately 9.0% for the six months ended 30 June 2019.

### Administrative expenses

The Group's administrative expenses amounted to RMB390,920,000 for the six months ended 30 June 2020, representing a decrease of 6.1% as compared with RMB416,160,000 for the corresponding period last year. It was mainly attributable to the decrease in travelling and professional expenses during the current period. Administrative expenses for the current reporting period accounted for approximately 22.8% of the total sales, representing an increase of approximately 2.7 percentage points as compared with approximately 20.1% for the six months ended 30 June 2019. The increase in such ratio was mainly attributable to the decrease in sales revenue was faster than the decrease in administrative expenses.

## 管理層討論及分析(續)

### 其他收入及其他收益－淨額

截至2020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149,935,000元，較去年同期的人民幣106,582,000元增加了人民幣43,353,000元。其他收入及其他收益的增加主要是由於本期間貨幣匯兌收益比去年同期上升了人民幣42,667,000元。貨幣匯兌收益的增加，主要因為本集團的有抵押長期貸款(於2020年6月30日結餘：人民幣1,860,474,000元)是由本公司借入並以人民幣結算，而本公司的功能貨幣是港元，在本報告期間人民幣對港元匯價下跌，故產生匯兌收益。

### 銷售及市場推廣開支

本集團銷售及市場推廣開支主要包括差旅費、運輸成本、廣告及宣傳費、薪金及辦公費用等。本集團截至2020年6月30日止六個月的銷售及市場推廣開支為人民幣161,248,000元，較去年同期的人民幣187,160,000元下跌了13.8%，主要因為本報告期間的運費、差旅、銷售及推廣活動有所減少，而本報告期的銷售及推廣開支所佔營業總額的比例為約9.4%與截至2019年6月30日止六個月的約9.0%基本持平。

### 行政開支

本集團的行政開支在截至2020年6月30日止六個月為人民幣390,920,000元，與去年同期的人民幣416,160,000元下跌了6.1%，主要因為本期差旅費用和專業服務費用有所減少；而本報告期的行政開支所佔營業總額的比例為約22.8%，比截至2019年6月30日止六個月的約20.1%上升了約2.7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。

## Management Discussion and Analysis (cont'd)

### Operating profit

The Group's operating profit for the six months ended 30 June 2020 was RMB185,778,000, representing a decrease of approximately 77.0% as compared with RMB806,098,000 for the six months ended 30 June 2019. It was mainly attributable to the recognition of goodwill impairment of Jiahao of RMB495,498,000 and a decrease in sales revenue during the current period. If the goodwill impairment of Jiahao were excluded, the operating profit for the current period would be RMB681,276,000, representing a decrease of 15.5% as compared with the corresponding period last year, and the operating profit margin would be slightly increased by 0.7 percentage point to approximately 39.7% during the current period from approximately 39.0% for the corresponding period last year.

### Profit before income tax

Profit before income tax of the Group for the six months ended 30 June 2020 was RMB203,346,000, decreased by RMB601,944,000 as compared with RMB805,290,000 for the six months ended 30 June 2019. If the goodwill impairment of Jiahao were excluded, the profit before income tax for the current reporting period would be RMB698,844,000, representing a decrease of 13.2% as compared with the corresponding period last year, which was mainly due to the decrease in operating profit.

### Income tax expenses

The income tax expenses of the Group for the six months ended 30 June 2020 was RMB137,154,000, representing a decrease of 30.1% as compared with RMB196,117,000 for the six months ended 30 June 2019. Income tax rate of the current reporting period was approximately 67.4%. If the goodwill impairment of Jiahao were excluded, income tax rate of the current reporting period would be approximately 19.6%, representing a decrease of approximately 4.8 percentage points as compared with approximately 24.4% for the six months ended 30 June 2019, such decrease was mainly attributable to additional subsidiaries of the Group during the reporting period were awarded high-tech enterprises which enable them to be entitled to preferential tax rate, and the decrease in withholding income tax on dividends distribution by subsidiaries in mainland in the current reporting period.

### Profit/loss attributable to the equity holders of the Company

The loss attributable to the equity holders of the Company for the six months ended 30 June 2020 was RMB45,434,000, representing a decrease of RMB525,723,000 as compared with the profit attributable to the equity holders of the Company of RMB480,289,000 in the same period last year. It was mainly due to Jiahao's goodwill impairment of RMB495,498,000 and the decrease in sales revenue in the current period. If the goodwill impairment of Jiahao were excluded, profit attributable to the equity holders of the Company for the current period would be RMB450,064,000, representing a decrease of approximately 6.3% as compared with the same period last year.

## 管理層討論及分析(續)

### 營運盈利

本集團的營運盈利在截至2020年6月30日止六個月為人民幣185,778,000元，較截至2019年6月30日止六個月的人民幣806,098,000元，減少了約77.0%，主要因為本期間產生了嘉豪的商譽減值人民幣495,498,000元及營業額的下跌。如果撇除了嘉豪的商譽減值的影響，本報告期的營運盈利為人民幣681,276,000元，比去年同期下跌了15.5%，營運盈利率約39.7%，比去年同期的約39.0%稍微上升了0.7個百分點。

### 除稅前盈利

截至2020年6月30日止六個月，本集團的除稅前盈利達人民幣203,346,000元，較截至2019年6月30日止六個月的人民幣805,290,000元，減少了人民幣601,944,000元。如果撇除了嘉豪的商譽減值的影響，本報告期的除稅前盈利為人民幣698,844,000元，比去年同期減少了13.2%，主要是因為營運盈利的下跌。

### 稅務開支

本集團的稅務開支在截至2020年6月30日止六個月為人民幣137,154,000元，較截至2019年6月30日止六個月的人民幣196,117,000元，減少了30.1%。本期所得稅率約為67.4%。如果撇除了嘉豪的商譽減值的影響，本期所得稅率約為19.6%，較截至2019年6月30日止六個月的約24.4%下跌了約4.8個百分點，主要由於本報告期新增附屬公司取得高新技術企業而享有優惠稅率，以及國內附屬公司因分派股息而產生的預提所得稅有所減少。

### 本公司權益持有人應佔盈利／虧損

本公司權益持有人應佔虧損在截至2020年6月30日止六個月為人民幣45,434,000元，較去年同期本公司權益持有人應佔盈利的人民幣480,289,000元，下跌了人民幣525,723,000元，主要因為本期產生了嘉豪商譽減值人民幣495,498,000元及營業額的下跌。如果撇除了嘉豪的商譽減值的影響，本期間本公司權益持有人應佔盈利為人民幣450,064,000元，較去年同期下降了約6.3%。

## Management Discussion and Analysis (cont'd)

### Net current asset value and financial resources

As at 30 June 2020, the net current asset value of the Group was RMB6,664,835,000 (31 December 2019: RMB6,957,179,000). The Group generates its working capital mainly through its operating activities to maintain a sound financial position. As at 30 June 2020, the Group's cash and bank balances amounted to RMB5,854,355,000 (31 December 2019: RMB5,722,074,000). In addition, the Group held bank wealth management products amounted to RMB370,823,000 (31 December 2019: RMB726,191,000) which was classified as financial assets at fair value through profit or loss.

### Bank borrowings and gearing ratio

As at 30 June 2020, the Group had bank borrowings of RMB2,856,898,000 (31 December 2019: RMB2,998,776,000), of which secured loan amounted to RMB1,860,474,000 (31 December 2019: RMB2,310,474,000) was due within four years, and the unsecured loans amounted to RMB996,424,000 (31 December 2019: RMB688,302,000) were due within one to two years. For the six months ended 30 June 2020, the average annual interest rate of the secured loan was 5.7% (six months ended 30 June 2019: 5.7%), and the average annual interest rate of the unsecured loans were 3.0% (six months ended 30 June 2019: 3.7%). As at 30 June 2020, the Group's gearing ratio (total borrowings, include current and non-current borrowings, divided by total equity (excludes non-controlling interests)) was 24.9%, which was decreased by 0.5 percentage point from 25.4% as of 31 December 2019.

### 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 2020, the Group's average trade receivables turnover period was 99 days, representing an increase of 11 days as compared with 88 days for the last financial year ended 31 December 2019, which basically remained the same as 98 days for the corresponding period last year.

## 管理層討論及分析(續)

### 流動資產淨值和財務資源

於2020年6月30日，本集團的流動資產淨值為人民幣6,664,835,000元（2019年12月31日：人民幣6,957,179,000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2020年6月30日，本集團的銀行及庫存現金為人民幣5,854,355,000元（2019年12月31日：人民幣5,722,074,000元）。本集團持有之銀行財富管理產品（列示為以公允價值計量且其變動計入損益之金融資產）金額為人民幣370,823,000元（2019年12月31日：人民幣726,191,000元）。

### 銀行貸款及負債比率

於2020年6月30日，本集團的銀行貸款總額為人民幣2,856,898,000元（2019年12月31日：人民幣2,998,776,000元），當中有抵押貸款為人民幣1,860,474,000元（2019年12月31日：人民幣2,310,474,000元），並於4年內到期償還；而無抵押貸款為人民幣996,424,000元（2019年12月31日：人民幣688,302,000元），並於一至兩年內到期償還。截至2020年6月30日止六個月，有抵押貸款之平均年息率為5.7厘（截至2019年6月30日止六個月：5.7厘）；而無抵押貸款的平均年息率為3.0厘（截至2019年6月30日止六個月：3.7厘）。於2020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24.9%，較2019年12月31日的25.4%下降了0.5個百分點。

### 應收賬周轉期

應收賬周轉期乃通過將有關財政年度期初及期末經扣除撥備的應收貿易賬款平均金額除以相應期間的營業總額再乘以180天計算。本集團一般給予客戶約0至180日的信貸期，根據客戶業務量的大小和業務關係時間長短而定。截至2020年6月30日止六個月，本集團的平均應收賬周轉期為99日，比較截至2019年12月31日止上一財政年度的88日上升了11日，而與去年同期的98日基本持平。

## Management Discussion and Analysis (cont'd)

### Trade payables turnover period

Trade payables turnover period is calculated on the basis of the average amount of trade payables as at the beginning and at the end of a relevant financial period divided by the cost of goods sold for the corresponding period and multiplied by 180 days. Credit periods granted by suppliers to the Group ranged from 0-180 days. For the six months ended 30 June 2020, the Group's average trade payables turnover period was 78 days, which basically remained the same as 77 days for the last financial year ended 31 December 2019.

### Inventory and inventory turnover period

As at 30 June 2020, the Group's inventory balance amounted to RMB868,794,000, representing a decrease of RMB62,591,000 as compared with the balance of RMB931,385,000 as at 31 December 2019. For the six months ended 30 June 2020, 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 258 days, representing an increase of 38 days as compared with 220 days for the last financial year ended 31 December 2019. The increase of such ratio was mainly resulted from the adjustment of inventory stock up strategy to maintain safety stock level after considering the impacts of Pandemic and US-China trade war on supply chain.

### Foreign exchange and exchange rate risk

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

### Pledge of assets

As at 30 June 2020, the Group's equity interest in Jiahao Foodstuff Limited and Guangdong Jiahao Foodstuff Co., Ltd, and its land and buildings in Zhongshan China were used as collateral for a bank loan of approximately RMB1.860 billion.

### Capital Commitments

As at 30 June 2020, the Group had capital commitments in respect of the purchase of property, plant, equipment, intangible assets, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, contracted for but not provided in the financial statements amounted to approximately RMB206,977,000 (31 December 2019: RMB265,106,000).

## 管理層討論及分析(續)

### 應付賬周轉期

應付賬周轉期乃通過將有關財政年度期初及期末的應付貿易賬款平均金額除以相應期間的銷售成本再乘以180天計算。供應商給予本集團的信貸期介乎0至180日。截至2020年6月30日止六個月，本集團的平均應付賬周轉期為78日，與截至2019年12月31日止上一財政年度的77日基本持平。

### 存貨和存貨周轉期

本集團的存貨結餘於2020年6月30日為人民幣868,794,000元，比2019年12月31日的人民幣931,385,000元，下跌了人民幣62,591,000元。在截至2020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258日，比截至2019年12月31日止上一財政年度的220日上升了38日。該指標的上升，主要是考慮到疫情和中美貿易戰對供應鏈的影響，為確保安全庫存而適當地調整備貨策略所致。

### 外匯及匯率風險

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

### 資產抵押

於2020年6月30日，本集團以嘉豪食品有限公司及廣東嘉豪食品有限公司之股權及其位於中國中山的土地及樓宇作為約人民幣18.60億元銀行貸款之抵押。

### 資本承擔

於2020年6月30日，本集團就已訂約購買的物業、廠房、設備、無形資產、以公允價值計量且其變動計入其他綜合收益之金融資產及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206,977,000元（2019年12月31日：人民幣265,106,000元）。

## Management Discussion and Analysis (cont'd)

### Contingent liabilities

According to the information available to the Board, the Group had no contingent liabilities as at 30 June 2020.

## HUMAN RESOURCES AND CORPORATE CULTURE CONSTRUCTION

As at 30 June 2020, the Group employed more than 3,500 employees in mainland China, Hong Kong, Germany, U.S., Botswana and Korea. In the face of the challenges brought by the Pandemic during the Reporting Period, the Group took effective measures to protect the physical and mental health of its employees, actively explored new working models, adjusted its operational strategies and took advantage of the preferential government policies to reduce the impact of the Pandemic on business development and on our employees.

Since the outbreak of the Pandemic, all members of the Group have worked together and made meticulous arrangements to fight the Pandemic. A working group on Pandemic prevention and control was set up by the management of various subsidiaries. Each subsidiary has formulated its Pandemic prevention and control standards and contingency plans. Pandemic prevention equipments are distributed to the employees and knowledge on the scientific prevention and control of Pandemic was disseminated. Employees' travelling and daily health conditions also were dynamically updated. After the situation of the Pandemic had alleviated and having made sufficient preparations, each subsidiary resumed production in an orderly manner according to the requests of various local governments.

All subsidiaries of the Group have flexibly adopted to working modes such as remote office, work-from-home and work shifts according to the actual situation, ensuring that all employees work in a safe environment. Meanwhile, in order to motivate our employees to maintain a positive mental state with full commitment to their work, the Group timely provides online platform resources and organises various training courses to help employees improve their professional skills and comprehensive capabilities. In addition, through organising employee photography contests, reading sharing, fitness and other activities, the Group aims to provide better caring to the employees by appeasing their emotions and enriching their lives.

During the time of the Pandemic, the Group insisted on fulfilling its corporate social responsibilities by donating health care supplies such as face masks to local community volunteers. The Group donated condiments to first-line medical workers and volunteers in various districts and gave money donations to the Lhasa Dejikangsa Community to help poverty alleviation. All of the subsidiaries of the Group fulfilled their environmental and social responsibilities by taking practical actions to give back to the society.

## 管理層討論及分析(續)

### 或然負債

根據可供董事會查閱的資料，本集團於2020年6月30日並無任何重大的或然負債。

## 人力資源及企業文化建設

於2020年6月30日，本集團在中國內地、香港、德國、美國、博茨瓦納及韓國共聘用員工逾3,500人。本報告期內，面對疫情帶來的挑戰，集團採取有效措施保障員工身心健康，積極探索新的工作模式，調整營運策略，利用政府優惠政策，減少疫情對業務發展和員工帶來的衝擊。

疫情發生後，全集團上下聯動、周密部署，並由各子公司領導成立疫情防控工作小組。各子公司均制定了疫情防控規範及應急預案，向員工派發防疫物資，宣傳科學防控知識，更新員工出行動態及每日健康情況。疫情緩解後，各子公司按照各地政府要求，在做好充分準備的情況下，有序復工復產。

集團各子公司根據實際情況，靈活採用遠程辦公、居家辦公、輪流排班等方式，確保員工在安全的工作環境下工作。同時，為激勵員工保持向上的精神狀態，全力以赴發展業務，集團及時提供線上平台資源，組織各類培訓課程，幫助員工提升專業技能和綜合能力。此外，集團還通過組織員工攝影大賽、讀書分享、健身運動等活動，加大對員工的關懷力度，安撫員工情緒，豐富員工生活。

疫情期間，集團堅持履行企業社會責任，捐贈口罩等醫護用品給當地的社區志願者；捐贈調味品給多個地區的一線醫務工作者、志願者；向拉薩德吉康薩社區幫扶基金捐贈善款，助力脫貧。集團各子公司用實際行動回饋社會，履行我們對環境和社會的責任。

## Management Discussion and Analysis (cont'd)

### CORPORATE INTERNAL CONTROL

#### *Pricing arrangements for products related to tobacco business*

Pricing for provision of tobacco flavours products, RTL products, auxiliary materials, etc. and related services by the Group to connected customers will be primarily based on bidding prices or the prevailing market prices. The Company has no control to decide whether bidding price or prevailing market price will be adopted. The mode of pricing is solely decided by individual customer based on its internal rules and procedures.

The basis of pricing adopted by the Group are set out below:

- (i) Implementation of bidding prices, i.e. by way of bidding prices in accordance with the applicable Bidding Laws of the PRC and according to the internal bidding practice and policy of the Group; various departments including the Group's marketing department, finance department and technology department will work in collaboration in the bidding process and in process management. During the process, the bidding quotations will be determined after taking into consideration factors such as product costs, investments costs for required R&D, tender quantities and relevant requirements as per tender documents, and follow-up on the tender process and results. The Group will be formally notified upon winning the bid, and the Group will sell the products to the counterparty at the winning bid price. Therefore, the bidding price will be determined in accordance with the due bidding process and on a fair and open basis.
- (ii) Implementation of the prevailing market prices, i.e. consideration and terms offered by individual customer to the Group shall be no less favourable than those terms offered by independent third party customers for provision of similar products and services in its ordinary and usual course of business. Enquiry process will be conducted by making reference to at least two other contemporaneous transactions with unrelated third parties for similar products and services to determine if the consideration and terms offered by the counterparty are on normal commercial terms and are fair and reasonable and comparable to those offered by independent third parties.

If the bidding prices are adopted, bidding quotations will be determined after taking into consideration factors such as product costs, investments costs for required R&D, tender quantities and relevant requirements as per tender documents.

In the process, the Group has no assurance whether or not to get the bid but would in any event make reference to the historical prices and pricing trends of the relevant products to ensure that the bidding price offered to individual customer would be on normal commercial terms or better and would be fair and reasonable to the Group and its Shareholders as a whole.

## 管理層討論及分析(續)

### 企業內控

#### *煙用業務相關產品定價安排*

本集團向關連客戶提供煙用香精產品、再造煙葉產品及煙用輔料等及相關服務的定價基準主要為執行投標價格或執行當時的市場價格；本公司無權決定客戶是否會採納執行投標價格或當時的市場價格，定價方式完全由個別客戶根據內部準則及程序決定。

本集團採納的定價基準如下：

- (i) 執行投標價格。本集團根據在中國適用的招標投標法和本集團內部的投標慣例和政策執行投標價格。本集團內的不同部門包括市場部、財務部和技術部會在投標過程和管理當中進行合作。在投標過程當中，各部門會綜合考慮產品成本、研發投入成本、招標數量等因素，結合招標書的相關要求，確定投標報價並跟進招標過程及結果。在正式獲通知中標後，本集團會依據中標價格向交易對方銷售產品。因此，中標價格會根據相應的招標程序公正公開的確定。
- (ii) 執行當時的市場價格。由單個客戶向本集團提出的對價和條款應不遜於由獨立第三方客戶在正常商業交易情況下就該類產品及相關服務提供的條款。在接到客戶報價查詢時，本集團將參考與客戶不相關的第三方客戶就該類產品及相關服務進行的最少兩宗其他同期交易，以確定由客戶提供的對價及條款是否屬一般商業條款及公平合理，並確定由客戶提供的對價及條款與獨立第三方客戶所提供的相近。

如果採納投標價格為定價基準，投標報價將在綜合考慮產品成本、研發投入成本、招標數量等因素，結合招標書的相關要求後確定。

在此過程中，本集團無法確保會否中標，但無論如何將參考相關產品的過往價格和定價趨勢，以確保向個別客戶提供的投標報價將符合一般商務條款或更佳條款，並且對本集團及其股東為公平合理。

## Other Information

### DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2020, 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 <sup>(Note)</sup> 透過受控制公司持有 <sup>(附註)</sup>	2,293,408,900	73.79%

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

Save as disclosed above, as at 30 June 2020, 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2020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	73.79%

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2020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 "Share Option Scheme") adopted on 9 August 2016 ("Adoption Date"), the Share Option Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date (can be terminated before expiration). The Company did not grant any share options under the Share Option Scheme during the Reporting Period. As at 30 June 2020, the share options granted by the Company pursuant to the Share Option Scheme which were valid and outstanding amounted to 11,000,000.

Details of share options granted, exercised, cancelled or lapsed (where applicable) during the Reporting Period under the Share Option Scheme are set out as follows:

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

Note: All outstanding share options granted under the Share Option Scheme lapsed on 1 July 2020.

### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

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

## 其他資料(續)

### 購股權計劃

根據本公司於2016年8月9日(「採納日期」)採納的一項購股權計劃(「購股權計劃」)，購股權計劃自採納日期起十年內有效(可提前終止)。本公司於報告期內並無根據購股權計劃授出任何購股權。於2020年6月30日，本公司根據購股權計劃授出而仍然有效及未被行使的購股權數目合共11,000,000股。

於報告期內，根據購股權計劃批授、行使、註銷或失效(如適用)的購股權詳情如下：

附註：根據購股權計劃授出而未被行使的所有購股權於2020年7月1日失效。

### 董事認購股份或債券之權利

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

## Other Information (cont'd)

### INTERESTS OF SUBSTANTIAL SHAREHOLDERS

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

### DISCLOSURE UNDER RULE 13.21 OF THE LISTING RULES

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

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

### CORPORATE GOVERNANCE

#### Compliance with the Corporate Governance Code

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

The Board members have regular discussions about the business strategies and performance of the Group and have regular trainings on Listing Rules and regulatory requirements provided by the legal 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)

### 主要股東之權益

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

### 根據上市規則第13.21條作出披露

於2018年8月17日，本公司與一家中國的銀行(「貸款人」)執行一項為期五年的融資協議，金額約人民幣28.88億元(「貸款融資」)。

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

### 企業管治

#### 遵守《企業管治守則》

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

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

## Other Information (cont'd)

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

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

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

### Environmental, Social and Governance Reporting

The Environmental, Social and Governance ("ESG") Report which contains our ESG information for 2019 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](http://www.hkexnews.hk)) and of the Company ([www.huabao.com.hk](http://www.huabao.com.hk)).

### Changes to Information in respect of Directors

In accordance with Rule 13.51B(1) of the Listing Rules, the changes to information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) between 27 March 2020 (being the date of approval of the Company's 2019 Annual Report) and 21 August 2020 (being the date of approval of this report) are set out below:

1. Mr. LAM Ka Yu was appointed as a director of Huabao Flavours (shares of which are listed on the ChiNext of Shenzhen Stock Exchange) with effect from 17 April 2020;

## 其他資料(續)

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

守則條文第A.2.1條規定，主席與行政總裁的角色應有區分，且不應由一人同時兼任。儘管本公司董事會主席兼執行董事朱林瑤女士自2013年4月9日起兼任首席執行官職務，惟董事會定期舉會議討論有關本集團業務營運的事項，故董事會認為有關安排將不會損害董事會與執行管理層之間之權責平衡，公司的規劃、策略的執行及決策的效率大致上將不會受到影響。

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

### 環境、社會及管治報告

本公司之環境、社會及管治(「環境、社會及管治」)報告已於聯交所網站([www.hkexnews.hk](http://www.hkexnews.hk))及公司網站([www.huabao.com.hk](http://www.huabao.com.hk))刊登，當中載列我們於2019年度在環境、社會及管治方面的資料，並已遵照上市規則有關環境、社會及管治指引的要求。

### 董事資料更新

根據上市規則第13.51B(1)條，按照第13.51(2)條(a)至(e)和(g)段要求，於2020年3月27日(為通過本公司2019年之年度報告當日)至2020年8月21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. 林嘉宇先生獲委任為華寶股份(深圳證券交易所創業板上市公司)之非獨立董事，自2020年4月17日起生效；

## Other Information (cont'd)

2. Mr. Jonathan Jun YAN was appointed as an independent non-executive director of China Shandong Hi-Speed Financial Group Limited (shares of which are listed on the Stock Exchange) with effect from 14 May 2020; and he ceased to act as an independent director of Beijing Shuzhi Technology Co. Ltd. (shares of which are listed on the Shenzhen Stock Exchange) with effect from 20 May 2020;
3. Mr. XIA Liqun was appointed as President of the Company with effect from 30 June 2020;
4. Ms. MA Yunyan was appointed as a member of the First ChiNext Listing Committee of the Shenzhen Stock Exchange with effect from 30 June 2020; and
5. Mr. POON Chiu Kwok ceased to act as an independent non-executive director of TUS International Limited (shares of which are listed on the Stock Exchange) with effect from 17 July 2020.

### Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code as the code of conduct regarding dealing in the securities of the Company by the Directors. Having made specific enquiries of all Directors, the Company has received their written confirmations that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2020.

### CHANGE IN DIVIDEND POLICY

The Group is committed to sharing its development and achievements with Shareholders through proactive, stable and sustainable dividend policy. The Group would strive to strike a balance between the short-term dividend returns and long-term development of the Group prudently. When considering the dividend policy, the Group will comprehensively observe the macro-economic operation, the competition pattern of the industry and the Group's own development strategy. Under the premise of ensuring that the Group has sufficient working capital and capital expenditure to implement the development strategy, the Group will distribute surplus funds to Shareholders and reward their support for the Group.

## 其他資料(續)

2. Jonathan Jun YAN先生獲委任為中國山東高速金融集團有限公司(聯交所上市公司)之獨立非執行董事，自2020年5月14日起生效；並不再擔任北京數知科技股份有限公司(深圳證券交易所上市公司)之獨立董事，自2020年5月20日起生效；
3. 夏利群先生獲委任為本公司總裁，自2020年6月30日起生效；
4. 麻雲燕女士獲聘任為深圳證券交易所第一屆創業板上市委員會委員，自2020年6月30日起生效；及
5. 潘昭國先生不再擔任啟迪國際有限公司(聯交所上市公司)之獨立非執行董事，自2020年7月17日起生效。

### 上市發行人董事進行證券交易的標準守則

本公司已採納標準守則，作為本公司董事進行本公司證券交易的操守準則。經向全體董事作出特定查詢後，本公司已收到全體董事書面確認彼等於截至2020年6月30日止六個月內已遵守標準守則所規定之標準。

### 股息政策變化

本集團致力於透過積極穩健及可持續的派息政策，努力在短期的股息回報與長期的公司發展之間達致平衡，與股東共同分享本集團的發展和成就。在考慮派息政策時，本集團將綜合觀察宏觀經濟運行情況、行業競爭格局以及自身發展戰略，在確保本集團具備充足營運資金和資本性開支以落實發展戰略的前提下，將盈餘資金派發給股東，回報股東的支持。

## Other Information (cont'd)

In the first half year of 2020, worldwide economic activities were stagnant and showed nothing but gloomy prospects. Market demands decreased significantly and business operating environment became unstable. In order to maintain a stable financial condition, boost operational efficiency, and increase working capital reserves to tackle the economic recession as well as sustain the Group's normal operation and competitiveness, the Board decided to amend the Company's dividend policy after discreet consideration. If the Company pays dividends, the dividend payout ratio will be adjusted from "50% or above of the profit attributable to the equity holders of the Company for the whole year" to "30% or above of the profit attributable to the equity holders of the Company for the whole year". The change in dividend policy will accordingly affect the dividend (if any) to be payable by the Company for the year ended 31 December 2020 and onwards.

## DIVIDEND

The impairment of goodwill for the CGU of Jiahao affected the Group's earnings. The adjusted basic earnings per Share (excluding Jiahao's impairment of goodwill) is RMB14.48 cents. In addition, as the impairment of goodwill is a non-cash item, it does not have an impact on the Group's cash flows and operations. The Board has decided not to declare any interim dividend for the six months ended 30 June 2020. However, to reward Shareholders for their support for the Company, the Board has nevertheless resolved to declare a special dividend of HK6.0 cents per Share in cash for the six months ended 30 June 2020 (six months ended 30 June 2019: interim dividend of HK8.8 cents per Share and no special dividend), representing approximately 37.8% of the adjusted earnings per Share of RMB14.48 cents. The special dividend is expected to be paid on or about 9 October 2020 to Shareholders whose names appear on the register of members of the Company on 18 September 2020.

## CLOSE OF REGISTER OF MEMBERS

In order to determine Shareholders who qualify for the special dividend, the register of members of the Company will be closed from 16 September 2020 to 18 September 2020, both days inclusive, during which no transfer of shares will be effected. All properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 15 September 2020.

## 其他資料(續)

2020年上半年，全球經濟活動停滯且前景不明朗，市場需求大幅下降，企業經營環境不穩。為了維持財務穩健、提升效率及增加營運資金儲備以應對經濟衰退並維持正常營運和競爭力，經過認真考慮，董事會決議修改本公司的派息政策。本公司如派息，派息比率將由「全年本公司權益持有人應佔盈利的50%或以上」調整至「全年本公司權益持有人應佔盈利的30%或以上」。有關股息政策變化將相應地影響本公司由截至2020年12月31日止年度起應付股息的派發(如有)。

## 股息

嘉豪所屬現金產生單位的商譽減值影響了本集團的盈利，如果撇除嘉豪商譽減值的影響，經調整的每股基本盈利為人民幣14.48分。此外，商譽減值屬非現金項目，對本集團的現金流以及營運沒有影響。董事會決定不就截至2020年6月30日止六個月宣派任何中期股息。但為了回報股東對本公司的支持，董事會仍決議向於2020年9月18日名列本公司股東名冊之股東宣派截至2020年6月30日止六個月之現金特別股息每股港幣6.0仙(截至2019年6月30日止六個月：中期股息每股港幣8.8仙及無特別股息)，佔經調整的每股基本盈利人民幣14.48分的約37.8%。預期特別股息約於2020年10月9日或前後派發。

## 暫停辦理股份過戶登記手續

為確保股東有資格獲派特別股息，本公司將由2020年9月16日至2020年9月18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2020年9月15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，地址為香港皇后大道東183號合和中心54樓。

## Other Information (cont'd)

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

During the six months ended 30 June 2020, 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 2020 and up to the date of this report as required under the Listing Rules.

### AUDIT COMMITTEE

The Board has formed an Audit Committee in accordance with the Listing Rules to fulfill the functions of reviewing and monitoring the financial reporting procedure and internal control of the Company. The Audit Committee members currently comprise all of the INEDs of the Company, namely Mr. LEE Luk Shiu (the Chairman of Audit Committee), Ms. MA Yunyan, Mr. WU Chi Keung and Mr. Jonathan Jun YAN. The Audit Committee and the Board have reviewed and approved the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2020. The Group's unaudited condensed consolidated interim financial information has been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

By Order of the Board  
**CHU Lam Yiu**  
 Chairlady and CEO

Hong Kong, 21 August 2020

## 其他資料(續)

### 購買、出售或贖回本公司之上市證券

於截至2020年6月30日止六個月期間內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

### 公眾持股量

根據可供公眾查閱之資料以及據董事所知和所信，於截至2020年6月30日止六個月內及截至本報告日，本公司已維持上市規則所規定之公眾持股量。

### 審核委員會

董事會已根據上市規則成立了審核委員會，以履行檢討及監察本公司財務匯報程序及內部監控之職責。審核委員會委員由本公司所有獨立非執行董事，即李祿兆先生（為審核委員會主席）、麻雲燕女士、胡志強先生及Jonathan Jun YAN先生組成。審核委員會連同董事會已審閱並批准本集團截至2020年6月30日止六個月之未經審核簡明綜合中期財務資料。本集團未經審核之中期簡明綜合財務資料已經由本公司之核數師羅兵咸永道會計師事務所按照HKICPA頒佈之審閱準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。

承董事會命  
**朱林瑤**  
 主席兼首席執行官

香港，2020年8月21日

## Review Report

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

(incorporated in Bermuda with limited liability)

#### INTRODUCTION

We have reviewed the interim financial information set out on pages 40 to 82 which comprises the condensed consolidated statement of financial position of Huabao International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2020 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

#### SCOPE OF REVIEW

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

## 審閱報告

### 中期財務資料的審閱報告 致華寶國際控股有限公司董事會

(於百慕達註冊成立的有限公司)

#### 引言

本核數師（以下簡稱「我們」）已審閱列載於第 40 至 82 頁的中期財務資料，此中期財務資料包括華寶國際控股有限公司（以下簡稱「貴公司」）及其附屬公司（以下統稱「貴集團」）於 2020 年 6 月 30 日的簡明綜合財務狀況表與截至該日止六個月期間的簡明綜合收益表、簡明綜合全面收益表、簡明綜合權益變動表和簡明綜合現金流量表，以及主要會計政策概要和其他附註解釋。香港聯合交易所有限公司證券上市規則規定，就中期財務資料擬備的報告必須符合以上規則的有關條文以及香港會計師公會頒布的香港會計準則第 34 號「中期財務報告」。貴公司董事須負責根據香港會計準則第 34 號「中期財務報告」擬備及列報該等中期財務資料。我們的責任是根據我們的審閱對該等中期財務資料作出結論，並僅按照我們協定的業務約定條款向閣下（作為整體）報告我們的結論，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

#### 審閱範圍

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

## Review Report (cont'd)

## 審閱報告(續)

### CONCLUSION

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

### 結論

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

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 21 August 2020

羅兵咸永道會計師事務所  
執業會計師

香港，二零二零年八月二十一日





## Condensed Consolidated Statement of Financial Position

## 簡明綜合財務狀況表

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Note 附註	As at 30 June 2020 於2020年 6月30日 Unaudited 未經審核	As at 31 December 2019 於2019年 12月31日 Audited 經審核
<b>Assets</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、機器及設備	7	1,392,052	1,391,118
Right-of-use assets	使用權資產		306,526	260,560
Intangible assets	無形資產	7	6,271,121	6,807,495
Investments in associates	於聯營公司之投資	8	369,801	385,881
Investment in a jointly controlled entity	於共同控制實體之投資		9,322	3,313
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	161,990	161,905
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	65,451	58,304
Deferred income tax assets	遞延所得稅資產	9	138,315	135,257
Other non-current assets	其他非流動資產		812	15,606
<b>Total non-current assets</b>	<b>總非流動資產</b>		<b>8,715,390</b>	9,219,439
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨		868,794	931,385
Trade and other receivables	貿易及其他應收款項	10	1,250,041	1,322,626
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	396,402	768,111
Short-term time deposits	短期定期存款		1,980,050	2,334,294
Cash and cash equivalents	現金及現金等價物		3,874,305	3,387,780
<b>Assets classified as held for sale</b>	<b>持作出售資產</b>	11	<b>8,369,592</b> <b>11,582</b>	8,744,196 -
<b>Total current assets</b>	<b>總流動資產</b>		<b>8,381,174</b>	8,744,196
<b>Total assets</b>	<b>總資產</b>		<b>17,096,564</b>	17,963,635

## 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 2020 於2020年 6月30日 Unaudited 未經審核	As at 31 December 2019 於2019年 12月31日 Audited 經審核
<b>Equity</b>	<b>權益</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>	<b>本公司權益持有人應佔股本及儲備</b>			
Share capital	股本	12	<b>318,636</b>	318,636
Reserves	儲備	14	<b>2,526,720</b>	2,540,529
Retained earnings	保留盈利		<b>8,634,677</b>	8,969,048
			<b>11,480,033</b>	11,828,213
<b>Non-controlling interests</b>	<b>非控制性權益</b>		<b>1,650,507</b>	1,771,260
<b>Total equity</b>	<b>總權益</b>		<b>13,130,540</b>	13,599,473
<b>Liabilities</b>	<b>負債</b>			
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Borrowings	貸款	15	<b>1,983,788</b>	2,310,474
Lease liabilities	租賃負債		<b>105,050</b>	60,135
Deferred income tax liabilities	遞延所得稅負債	9	<b>160,047</b>	205,736
Trade and other payables	貿易及其他應付款項	16	<b>800</b>	800
Total non-current liabilities	總非流動負債		<b>2,249,685</b>	2,577,145
<b>Current liabilities</b>	<b>流動負債</b>			
Borrowings	貸款	15	<b>873,110</b>	688,302
Lease liabilities	租賃負債		<b>31,460</b>	22,448
Trade and other payables	貿易及其他應付款項	16	<b>550,654</b>	666,864
Current income tax liabilities	當期所得稅負債		<b>168,231</b>	236,514
Contract liabilities	合同負債		<b>92,884</b>	172,889
Total current liabilities	總流動負債		<b>1,716,339</b>	1,787,017
<b>Total liabilities</b>	<b>總負債</b>		<b>3,966,024</b>	4,364,162
<b>Total equity and liabilities</b>	<b>總權益及負債</b>		<b>17,096,564</b>	17,963,635

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)

		<b>Unaudited</b> 未經審核		
		<b>For the six months ended</b> <b>30 June</b>		
		<b>截至日6月30日止六個月</b>		
		Note 附註	<b>2020</b> <b>2020年</b>	2019 2019年
Revenue	營業額	6	<b>1,715,710</b>	2,069,317
Cost of goods sold	銷售成本		<b>(627,010)</b>	(758,856)
<b>Gross profit</b>	<b>毛利</b>		<b>1,088,700</b>	1,310,461
Other income and other gains – net	其他收入及其他收益－淨額	17	<b>149,935</b>	106,582
Selling and marketing expenses	銷售及市場推廣開支		<b>(161,248)</b>	(187,160)
Administrative expenses	行政費用		<b>(390,920)</b>	(416,160)
Impairment of goodwill	商譽減值	7	<b>(495,498)</b>	–
Net impairment losses on financial assets	金融資產減值損失淨額		<b>(5,191)</b>	(7,625)
<b>Operating profit</b>	<b>營運盈利</b>		<b>185,778</b>	806,098
Finance income	財務收入		<b>82,158</b>	96,591
Finance costs	融資成本		<b>(79,480)</b>	(99,775)
Finance income/(costs)– net	財務收入／(融資成本)－淨額		<b>2,678</b>	(3,184)
Share of results of associates and a jointly controlled entity	應佔聯營公司及共同控制實體之業績		<b>14,890</b>	2,376
<b>Profit before income tax</b>	<b>除稅前盈利</b>		<b>203,346</b>	805,290
Income tax expense	所得稅	19	<b>(137,154)</b>	(196,117)
<b>Profit for the period</b>	<b>本期間盈利</b>		<b>66,192</b>	609,173
<b>Attributable to:</b>	<b>應佔：</b>			
Equity holders of the Company	本公司權益持有人		<b>(45,434)</b>	480,289
Non-controlling interests	非控制性權益		<b>111,626</b>	128,884
			<b>66,192</b>	609,173
<b>(Losses)/earnings per share for profit attributable to the Company's equity holders for the period</b>	<b>本期間本公司權益持有人應佔的每股(虧損)/盈利</b>		<b>RMB cents</b> 人民幣分	RMB cents 人民幣分
Basic and diluted	基本及攤薄	20	<b>(1.46)</b>	15.45

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)

		<b>Unaudited</b> 未經審核	
		<b>For the six months ended</b>	
		<b>30 June</b>	
		<b>截至6月30日止六個月</b>	
		<b>2020</b>	2019
		<b>2020年</b>	2019年
<b>Profit for the period</b>	本期間盈利	<b>66,192</b>	609,173
<b>Other comprehensive income:</b>	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	<b>(1,669)</b>	(8,476)
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	<b>(37,981)</b>	-
<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	<b>(1,603)</b>	10,070
<b>Other comprehensive (loss)/income for the period, net of tax</b>	本期間除稅後其他全面(虧損)/收益	<b>(41,253)</b>	1,594
<b>Total comprehensive income for the period, net of tax</b>	本期間除稅後全面收益總額	<b>24,939</b>	610,767
<b>Total comprehensive (loss)/income attributable to:</b>	應佔全面(虧損)/收益總額：		
Equity holders of the Company	本公司權益持有人	<b>(86,678)</b>	481,883
Non-controlling interests	非控制性權益	<b>111,617</b>	128,884
		<b>24,939</b>	610,767

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

上述簡明綜合全面收益表應與相應附註一併閱讀。

## Condensed Consolidated Statement of Changes In Equity

(All amounts in RMB thousands unless otherwise stated)

## 簡明綜合權益變動表

(除另有指明者外，所有金額均以人民幣千元列示)

		Unaudited 未經審核					
		Attributable to equity holders of the Company 本公司權益持有人應佔					
		Share Capital 股本	Reserves 儲備	Retained earnings 保留盈利	Total 總計	Non- Controlling interests 非控制性權益	Total equity 總權益
<b>Balance at 1 January 2019</b>	於2019年1月1日	318,647	2,571,885	8,861,582	11,752,114	1,990,737	13,742,851
<b>Total comprehensive income for the six months ended 30 June 2019</b>	截至2019年6月30日止六個月的全面收益總額	-	1,594	480,289	481,883	128,884	610,767
<b>Transactions with owners in their capacity as owners:</b>	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	-	-	-	-	(478,607)	(478,607)
Final and special dividends for the nine months ended 31 December 2018 paid to shareholders	向股東支付截至2018年12月31日止九個月之期末及特別股息	-	-	(756,818)	(756,818)	-	(756,818)
Appropriations from net profit	自純利撥付	-	708	(708)	-	-	-
Capital injection from non-controlling interests	非控制性權益注資	-	-	-	-	3,024	3,024
Cancellation of repurchased shares	註銷已回購之股份	(11)	11	-	-	-	-
Share-based payment – value of consultancy service	股份為基礎的支付—顧問服務價值	-	777	-	777	-	777
Forfeiture of unclaimed dividends	沒收未認領股息	-	-	28	28	-	28
<b>Total transactions with owners</b>	與擁有人交易總額	(11)	1,496	(757,498)	(756,013)	(475,583)	(1,231,596)
<b>Balance at 30 June 2019</b>	於2019年6月30日	318,636	2,574,975	8,584,373	11,477,984	1,644,038	13,122,022
<b>Balance at 1 January 2020</b>	於2020年1月1日	<b>318,636</b>	<b>2,540,529</b>	<b>8,969,048</b>	<b>11,828,213</b>	<b>1,771,260</b>	<b>13,599,473</b>
<b>Total comprehensive (loss)/income for the six months ended 30 June 2020</b>	截至2020年6月30日止六個月的全面(虧損)/收益總額	-	(41,244)	(45,434)	(86,678)	111,617	24,939
<b>Transactions with owners in their capacity as owners:</b>	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	-	-	-	-	(9,186)	(9,186)
Dividends paid to non-controlling interests	向非控制性權益支付的股息	-	-	-	-	(237,233)	(237,233)
Final dividends for the year ended 31 December 2019 paid to shareholders	向股東支付截至2019年12月31日止年末股息	-	-	(285,887)	(285,887)	-	(285,887)
Appropriations from net profit	自純利撥付	-	3,050	(3,050)	-	-	-
Disposal of a subsidiary	出售附屬公司	-	-	-	-	209	209
Changes in ownership interests in a subsidiary without change of control	改變附屬公司之所有者權益而不改變控制權	-	24,287	-	24,287	11,003	35,290
Capital injection from non-controlling interests	非控制性權益注資	-	-	-	-	2,837	2,837
Share-based payment- value of consultancy service	股份為基礎的支付—顧問服務價值	-	98	-	98	-	98
<b>Total transactions with owners</b>	與擁有人交易總額	-	27,435	(288,937)	(261,502)	(232,370)	(493,872)
<b>Balance at 30 June 2020</b>	於2020年6月30日	<b>318,636</b>	<b>2,526,720</b>	<b>8,634,677</b>	<b>11,480,033</b>	<b>1,650,507</b>	<b>13,130,540</b>

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	
		2020 2020年	2019 2019年
<b>Cash flows from operating activities</b>	<b>經營活動之現金流量</b>		
Cash generated from operations	營運產生之現金	721,708	661,133
Income tax paid	已付所得稅	(254,188)	(363,033)
<b>Net cash generated from operating activities</b>	<b>營運活動產生之現金淨額</b>	<b>467,520</b>	298,100
<b>Cash flows from investing activities</b>	<b>投資活動之現金流量</b>		
Acquisition of a subsidiary	收購附屬公司	(154)	-
Proceeds from disposal of subsidiaries	出售附屬公司所得款項	80	-
Refund of termination of the additional capital injection into an associate	解除增資聯營公司退回款項	14,560	-
Purchases of financial assets at fair value through other comprehensive income	購入以公允價值計量且其變動計入其他全面收益之金融資產	-	(23,142)
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	(512,000)	(200,000)
Proceeds from disposals of financial assets at fair value through profit or loss	出售以公允價值計量且其變動計入損益之金融資產所得款項	878,729	318,070
Purchases of property, plant and equipment, and intangible assets	購入物業、機器及設備及無形資產	(83,668)	(177,703)
Proceeds from disposal of property, plant and equipment and intangible assets	出售物業、機器及設備及無形資產所得款項	5,754	5,465
Short-term time deposits placed	存入短期定期存款	(1,157,540)	(911,784)
Short-term time deposits released	提取短期定期存款	1,511,784	1,209,500
Dividend received	已收股息	9,114	10,485
Interest received	已收利息	74,574	103,927
<b>Net cash generated from investing activities</b>	<b>投資活動產生之現金淨額</b>	<b>741,233</b>	334,818
<b>Cash flows from financing activities</b>	<b>融資活動之現金流量</b>		
Final dividend for the year ended 31 December 2019 paid to shareholders	向股東支付截至2019年12月31日止年度之期末股息	(285,887)	-
Interim dividend for the six months ended 30 September 2018 paid to shareholders	向股東支付截至2018年9月30日止六個月期間之中期股息	-	(275,620)
Final and special dividend for the nine months ended 31 December 2018 paid to shareholders	向股東支付截至2018年12月31日止九個月期間之期末及特別股息	-	(756,818)
Dividends paid to non-controlling interests	向非控制性權益支付股息	(238,451)	(478,607)
Proceeds from changes in ownership interests in a subsidiary without change of control	改變附屬公司所有者權益而不改變控制權之所得款項	35,290	-
Capital injection from non-controlling interests	非控制性權益注資之所得款項	2,837	3,024
New bank borrowings raised	新增銀行貸款	466,629	625,787
Repayment of bank borrowings	償還銀行貸款	(618,750)	(627,395)
Principal elements of lease payments	支付租賃付款之本金部分	(11,233)	(9,651)
Interest elements of lease payments	支付租賃付款之利息部分	(2,325)	(1,524)
Interest paid related to bank borrowings and others	與銀行貸款及其他相關之已付利息	(80,044)	(95,689)
<b>Net cash used in financing activities</b>	<b>融資活動所用之現金淨額</b>	<b>(731,934)</b>	(1,616,493)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>現金及現金等價物增加/(減少)淨額</b>	<b>476,819</b>	(983,575)
Cash and cash equivalents at the beginning of the period	期初之現金及現金等價物	3,387,780	5,535,601
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	9,706	17,698
<b>Cash and cash equivalents at the end of the period</b>	<b>期末之現金及現金等價物</b>	<b>3,874,305</b>	4,569,724

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 (the “Group”) are mainly engaged in the research and development, production, distribution and sale of flavours and fragrances, tobacco raw materials, aroma raw materials and condiment products in the People’s Republic of China (the “PRC”). Ms. Chu Lam Yiu, who is the Chairlady of the Board of Directors, holds approximately 74% beneficial equity interest in the Company as at 30 June 2020.

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 21 August 2020.

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

## 簡明綜合中期財務資料附註

(除另有指明者外，所有金額均以人民幣千元列示)

### 1. 一般資料

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

本公司的股份主要於香港聯合交易所有限公司上市。

本公司為投資控股公司。本公司及其附屬公司(「本集團」)之業務主要在中華人民共和國(「中國」)研究及發展、生產、分銷及銷售香精、煙用原料、香原料及調味品產品。朱林瑤女士(「朱女士」)乃本公司之董事局主席，於2020年6月30日，朱女士持有本公司約74%之權益。

本簡明綜合中期財務資料除另有指明者外，均以人民幣千元(「人民幣千元」)列示。本簡明綜合中期財務資料已於2020年8月21日獲董事會批准刊發。

本簡明綜合中期財務資料已經審閱，並未經審核。



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

(All amounts in RMB thousands unless otherwise stated)

### 2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2020 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 2019 which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

### 3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2019, as described in those financial statements.

#### (a) New and amended standards adopted by the Group

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

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

### 2. 編製基準

本公司截至2020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2019年12月31日止年度的綜合財務報表一併閱讀。

### 3. 會計政策

除下列所述外，編製本中期財務資料所採用之會計政策與截至2019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及對現有準則的修訂

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



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

(All amounts in RMB thousands unless otherwise stated)

### 3. ACCOUNTING POLICIES (continued)

#### (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:

		<b>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</b>
Amendments to HKFRS 16 香港財務報告準則第16號修訂	Covid-19-related Rent Concessions 新型冠狀病毒肺炎－相關租金減讓	1 June 2020 2020年6月1日
HKFRS 17 香港財務報告準則第17號	Insurance contract 保險合同	1 January 2021 2021年1月1日
Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41 香港財務報告準則第1號，香港財務報告準則第9號，香港財務報告準則第16號及香港會計準則第41號修訂	Annual Improvements to HKFRS Standards 2018 to 2020 香港財務報告準則2018年至2020年週期之年度改進	1 January 2022 2022年1月1日
Amendments to HKFRS 3 香港財務報告準則第3號修訂	Reference to the conceptual framework 參考概念框架	1 January 2022 2022年1月1日
Amendments to HKAS 16 香港會計準則第16號修訂	Property, Plant and Equipment- proceeds before intended use 物業，機器及設備－擬定用途前的所得款項	1 January 2022 2022年1月1日
Amendments to HKAS 37 香港會計準則第37號修訂	Onerous Contracts – Cost of Fulfilling a Contract 有償合約－履行合約之成本	1 January 2022 2022年1月1日
Amendments to HKAS 1 香港會計準則第1號修訂	Classification of liabilities as current or non-current 負債分類為流動及非流動	1 January 2023 2023年1月1日
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及香港會計準則第28號修訂	Sale or contribution of assets between an investor and its associates or joint ventures 投資者與其聯營公司或合營企業之間的資產出售或出資	To be determined 待定

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.

## 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

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：

		<b>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</b>
	Covid-19-related Rent Concessions 新型冠狀病毒肺炎－相關租金減讓	1 June 2020 2020年6月1日
	Insurance contract 保險合同	1 January 2021 2021年1月1日
	Annual Improvements to HKFRS Standards 2018 to 2020 香港財務報告準則2018年至2020年週期之年度改進	1 January 2022 2022年1月1日
	Reference to the conceptual framework 參考概念框架	1 January 2022 2022年1月1日
	Property, Plant and Equipment- proceeds before intended use 物業，機器及設備－擬定用途前的所得款項	1 January 2022 2022年1月1日
	Onerous Contracts – Cost of Fulfilling a Contract 有償合約－履行合約之成本	1 January 2022 2022年1月1日
	Classification of liabilities as current or non-current 負債分類為流動及非流動	1 January 2023 2023年1月1日
	Sale or contribution of assets between an investor and its associates or joint ventures 投資者與其聯營公司或合營企業之間的資產出售或出資	To be determined 待定

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

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

(All amounts in RMB thousands unless otherwise stated)

### 4. ESTIMATES

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

In preparing this condensed consolidated interim financial information, except for those described in note 7(a), 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 2019.

### 5. FINANCIAL RISK MANAGEMENT

#### 5.1 Financial risk factors

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

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2019. There have been no changes in the risk management policies since 31 December 2019.

#### 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 2020 and 31 December 2019.

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

### 4. 估計

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

在編製此等簡明綜合中期財務資訊時，除了附註7(a)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2019年12月31日止年度之綜合財務報表所應用的相同。

### 5. 財務風險管理

#### 5.1 財務風險因素

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

簡明綜合中期財務資料並未包括年度財務報表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2019年12月31日止年度的年度財務報表一併閱讀。自2019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

債務淨額為總貸款（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2020年6月30日及2019年12月31日擁有淨現金盈餘，故未呈列債務淨額。

## 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

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(續)

#### 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厘定。不同層級的定義如下：

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



## 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 table presents the Group's financial assets measured and recognised at fair value at 30 June 2020 and 31 December 2019:

下表列示本集團於2020年6月30日及2019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
<b>At 30 June 2020</b>	<b>於2020年6月30日</b>				
Financial assets at fair value through profit or loss ("FVPL")	以公允價值計量且其變動計入損益之金融資產				
– Listed equity investments	– 上市權益投資	25,579	–	–	25,579
– Wealth management products	– 財富管理產品	–	–	370,823	370,823
– Unlisted equity investment	– 非上市權益投資	–	–	65,451	65,451
Financial assets at fair value through other comprehensive income ("FVOCI")	以公允價值計量且其變動計入其他全面收益之金融資產				
– Unlisted equity investments in the PRC	– 於中國的非上市權益投資	–	–	49,095	49,095
– Unlisted overseas equity investments	– 於海外的非上市權益投資	–	–	112,895	112,895
		<b>25,579</b>	<b>–</b>	<b>598,264</b>	<b>623,843</b>
		Level 1 第一層	Level 2 第二層	Level 3 第三層	Total 共計
<b>At 31 December 2019</b>	<b>於2019年12月31日</b>				
Financial assets at FVPL	以公允價值計量且其變動計入損益之金融資產				
– Listed equity investments	– 上市權益投資	41,920	–	–	41,920
– Wealth management products	– 財富管理產品	–	–	726,191	726,191
– Unlisted equity investment	– 非上市權益投資	–	–	58,304	58,304
Financial assets at FVOCI	以公允價值計量且其變動計入其他全面收益之金融資產				
– Unlisted equity investments in the PRC	– 於中國的非上市權益投資	–	–	49,095	49,095
– Unlisted overseas equity investments	– 於海外的非上市權益投資	–	–	112,810	112,810
		41,920	–	946,400	988,320

## 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 2020. There are no other financial instruments that were measured at fair value as at 30 June 2020 and 31 December 2019.

The financial assets of level 1 within the fair value hierarchy as at 30 June 2020 and 31 December 2019 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2020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2020年6月30日及2019年12月31日，並無其他金融工具乃按公允價值計量。

於2020年6月30日及2019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)

(All amounts in RMB thousands unless otherwise stated)

### 5. FINANCIAL RISK MANAGEMENT (continued)

#### 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 2020 and 31 December 2019 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 2020:

		Unlisted equity investment 非上市權益投資	Wealth management products 財富管理產品	Total 總計
<b>At 1 January 2020</b>	於2020年1月1日	<b>220,209</b>	<b>726,191</b>	<b>946,400</b>
Additions	添置	-	<b>512,000</b>	<b>512,000</b>
Disposals	出售	-	<b>(878,556)</b>	<b>(878,556)</b>
Fair value change recognised in other comprehensive income	於其他全面收益中確認之公允價值變動	<b>(1,669)</b>	-	<b>(1,669)</b>
Fair value change recognised in other income and other gain - net	於其他收入和其他收益 - 淨額中確認之公允價值變動	<b>7,138</b>	<b>11,188</b>	<b>18,326</b>
Currency translation differences	貨幣換算差額	<b>1,763</b>	-	<b>1,763</b>
<b>At 30 June 2020</b>	於2020年6月30日	<b>227,441</b>	<b>370,823</b>	<b>598,264</b>

Asset-based approach, market approach and equity allocation model are adopted in valuation the financial assets of level 3. There were no changes in valuation techniques for the six months ended 30 June 2020.

The expected return rates used in determining the fair value of the wealth management products of RMB370,823,000 as at 30 June 2020 were between 3.1% to 4.5% (31 December 2019: 1.4% to 4.5%). The fair value of one of the unlisted equity investments in urban management sector is based on market approach and equity allocation model with unobservable inputs such as price to earning ratio, dividend yield and risk-free rate. The fair value of other unlisted equity investments is based on asset-based approach with no quantitative unobservable inputs developed.

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

### 5. 財務風險管理(續)

#### 5.4 使用重大不可觀察輸入的公允價值計量(第三層)

於2020年6月30日及2019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計入當期損益的金融資產。下表列出了本集團截至2020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：

第三層金融資產的估值採用資產法，市場法和權益分配模型。截至2020年6月30日止六個月估值技術未發生變化。

於2020年6月30日財富管理產品的公允價值為人民幣370,823,000元，而用於確定其公允價值的預期收益率在3.1%至4.5%之間(2019年12月31日：1.4%至4.5%之間)。其中一項非上市權益投資乃投資一城市管理行業，其公允價值基於市場法和權益分配模型，並具有不可觀察的輸入，如市盈率，股息收益率和無風險利率。其他非上市權益投資的公允價值乃基於資產法，並無按量化的不可觀察輸入來估計。

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

#### 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。此小組直接向財務總監(「財務總監」)匯報。財務總監及評估小組乃按本集團之報告日期即每半年舉行一次討論估值流程與其結果。

#### 5.6 按攤銷成本計量的金融資產及負債之公允價值

按攤銷成本計量的金融資產和負債的公允價值乃與其賬面值相若。



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

(All amounts in RMB thousands unless otherwise stated)

### 6. TURNOVER AND SEGMENT INFORMATION

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

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

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

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

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

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

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

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

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

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

- (1) 香精業務包括研發、生產及銷售香精產品。
- (2) 煙用原料業務包括研發、生產及銷售造紙法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。

執行董事根據營運盈利的計量評估營運分部的表現。



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

(All amounts in RMB thousands unless otherwise stated)

### 6. TURNOVER AND SEGMENT INFORMATION (continued)

The segment information for the six months ended 30 June 2020 is presented below:

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

### 6. 營業額及分部資料(續)

截至2020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 2020 截至2020年6月30日止六個月					
		Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Total 總計
Total revenue	總營業額	935,649	309,718	305,798	177,344	1,577	1,730,086
Inter-segment revenue	分部間營業額	(4,519)	(6,327)	(3,530)	-	-	(14,376)
Segment revenue – net	分部營業額－淨額	931,130	303,391	302,268	177,344	1,577	1,715,710
Segment result	分部業績	581,880	115,140	38,818	(525,378)	(24,682)	185,778
Finance income	財務收入						82,158
Finance costs	融資成本						(79,480)
Finance income – net	財務收入－淨額						2,678
Share of results of associates and a jointly controlled entity	應佔聯營公司及共同控制實體之業績						14,890
Profit before income tax	除稅前盈利						203,346
Income tax expense	所得稅						(137,154)
Profit for the period	本期間盈利						66,192
Depreciation	折舊	21,814	40,265	11,883	4,684	6,161	84,807
Amortisation	攤銷	805	5,109	7,782	36,844	141	50,681
		Unaudited 未經審核 As at 30 June 2020 於2020年6月30日					
		Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Total 總計
Segment assets	分部資產	7,718,414	2,874,605	1,002,658	4,601,708	899,179	17,096,564

## 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. TURNOVER AND SEGMENT INFORMATION (continued)

### 6. 營業額及分部資料(續)

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

截至2019年6月30日止六個月的分部資料呈列如下：

		Unaudited 未經審核 For the six months ended 30 June 2019 截至2019年6月30日止六個月					
		Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Total 總計
Total revenue	總營業額	976,060	366,925	363,054	376,141	206	2,082,386
Inter-segment revenue	分部間營業額	(8,652)	(816)	(3,601)	-	-	(13,069)
Segment revenue – net	分部營業額 – 淨額	967,408	366,109	359,453	376,141	206	2,069,317
Segment result	分部業績	581,089	132,068	63,573	103,695	(74,327)	806,098
Finance income	財務收入						96,591
Finance costs	融資成本						(99,775)
Finance cost – net	融資成本 – 淨額						(3,184)
Share of results of associates and a jointly controlled entity	應佔聯營公司及共同控制實體之業績						2,376
Profit before income tax	除稅前盈利						805,290
Income tax expense	所得稅						(196,117)
Profit for the period	本期間盈利						609,173
Depreciation	折舊	20,125	43,390	10,395	4,184	2,915	81,009
Amortisation	攤銷	644	5,098	8,325	36,809	120	50,996
		Audited 經審核 As at 31 December 2019 於2019年12月31日					
		Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Total 總計
Segment assets	分部資產	8,420,755	3,029,563	957,280	5,277,279	278,758	17,963,635

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

(All amounts in RMB thousands unless otherwise stated)

### 6. TURNOVER AND SEGMENT INFORMATION (continued)

Segment result represents the profit earned by each segment without inclusion of unallocated expenses, finance costs, finance income, share of results of associates and a jointly controlled entity and income tax expense. 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, investment in a jointly controlled entity, financial assets at FVPL and financial assets at FVOCI that are managed by the Finance Department, deferred income tax assets, other non-current assets, inventories, trade and other receivables, short-term time deposits, cash and cash equivalents and assets classified as held for sale. 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 2020 and 31 December 2019 are mainly located in the PRC.

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

Revenue derived from sales made to one single largest external customer for the six months ended 30 June 2020 amounted to 10.4% (for the six months ended 30 June 2019: 12.0%) of the Group's total revenue. These revenues are attributable to flavours and fragrances segment.

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

### 6. 營業額及分部資料(續)

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

分部資產主要包括物業、廠房及設備、使用權資產、無形資產、對聯營公司的投資、對共同控制實體的投資、由財務部管理之按公允價值計量且其變動計入損益和按公允價值計量且其變動計入其他全面收益的金融資產、遞延所得稅資產、其他非流動資產、存貨、貿易和其他應收款、短期定期存款、現金和現金等價物及持作出售資產。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2020年6月30日及2019年12月31日本集團的非流動資產總額主要位於中國。

來自外部客戶的收入主要來自銷售香精、煙用原料、香原料以及調味品予國內客戶。

截至2020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10.4%（2019年6月30日：12.0%）。這些收入是由香精分部產生的。

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

## 簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

### 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					
		Property, plant and equipment (excluding construction in progress) 物業、機器及 設備(不含 在建工程)	Construction in progress 在建工程	Total property, plant and Equipment 物業、機器及 設備總計	Goodwill 商譽	Other intangible assets 其他 無形資產	Total intangible assets 無形資產 總計
<b>For the six months ended 30 June 2019</b>	<b>截至2019年6月30日止六個月</b>						
<b>At 1 January 2019</b>	<b>於2019年1月1日</b>	1,029,327	215,242	1,244,569	5,867,509	1,032,488	6,899,997
Additions	添置	26,809	149,921	176,730	-	973	973
Transfers	轉移	124,093	(124,093)	-	-	-	-
Disposals	出售	(6,795)	-	(6,795)	-	(558)	(558)
Depreciation and amortisation	折舊及攤銷	(72,610)	-	(72,610)	-	(47,899)	(47,899)
Currency translation differences	貨幣換算差額	(2,032)	12	(2,020)	-	-	-
<b>At 30 June 2019</b>	<b>於2019年6月30日</b>	1,098,792	241,082	1,339,874	5,867,509	985,004	6,852,513
<b>At 31 December 2019</b>	<b>於2019年12月31日</b>						
Cost	成本	2,300,492	290,426	2,590,918	5,903,875	1,394,274	7,298,149
Accumulated depreciation, amortisation and impairment	累計折舊、攤銷及減值	(1,199,800)	-	(1,199,800)	(36,366)	(454,288)	(490,654)
Net book amount	賬面淨值	1,100,692	290,426	1,391,118	5,867,509	939,986	6,807,495
<b>For the six months ended 30 June 2020</b>	<b>截至2020年6月30日止六個月</b>						
<b>At 1 January 2020</b>	<b>於2020年1月1日</b>	1,100,692	290,426	1,391,118	5,867,509	939,986	6,807,495
Additions	添置	16,271	60,583	76,854	-	6,814	6,814
Transfers	轉移	65,049	(65,049)	-	-	-	-
Disposal of subsidiaries	出售附屬公司	(366)	-	(366)	-	(25)	(25)
Other disposals	出售	(6,075)	-	(6,075)	-	-	-
Depreciation and amortisation	折舊及攤銷	(68,738)	-	(68,738)	-	(47,665)	(47,665)
Impairment of goodwill (note(a))	商譽減值(附註(a))	-	-	-	(495,498)	-	(495,498)
Currency translation differences	貨幣換算差額	(661)	(80)	(741)	-	-	-
<b>At 30 June 2020</b>	<b>於2020年6月30日</b>	1,106,172	285,880	1,392,052	5,372,011	899,110	6,271,121
<b>At 30 June 2020</b>	<b>於2020年6月30日</b>						
Cost	成本	2,337,946	285,880	2,623,826	5,903,875	1,401,063	7,304,938
Accumulated depreciation, amortisation and impairment	累計折舊、攤銷及減值	(1,231,774)	-	(1,231,774)	(531,864)	(501,953)	(1,033,817)
Net book amount	賬面淨值	1,106,172	285,880	1,392,052	5,372,011	899,110	6,271,121

## 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) Goodwill impairment

##### Significant estimates

Following the significant decrease in sales of the Group due to the outbreak of Novel Coronavirus Pneumonia Pandemic since the beginning of 2020, management has recalculated the recoverable amounts of all Cash-Generating Units ("CGU") as at 30 June 2020. Other than an impairment loss of RMB495,498,000 for the CGU of Jiahao Foodstuff Limited and its subsidiaries ("Jiahao Foodstuff") recognised, which reduced the carrying amount of the goodwill for this CGU from RMB3,635,550,000 to RMB3,140,052,000, no additional impairment loss was considered necessary for other CGUs.

The recoverable amount of a CGU is determined based on value in use calculations, consistent with the methods used as at 31 December 2019. For details see note 9(a) of the consolidated financial statements for the year ended 31 December 2019. The following table sets out the key assumptions for the CGUs where the impairment calculations were updated as at 30 June 2020:

		As at 30 June 2020 於2020年6月30日				As at 31 December 2019 於2019年12月31日			
		Reconstituted				Reconstituted			
		Flavours Subgroup 香精	Tobacco Leaves 再造煙葉	Jiahao Foodstuff 嘉豪食品	Others 其他	Flavours Subgroup 香精	Tobacco Leaves 再造煙葉	Jiahao Foodstuff 嘉豪食品	Others 其他
Forecast growth rate	預計增長率	-3.0%~0.0%	0.4%~6.6%	-17.8%~47.0%	-22.9%~860.0%	0.0%	0.4%~5.4%	3.0%~29.3%	-14.4%~690.4%
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	83.0%	55.3%~56.0%	58.7%~60.7%	30.0%~45.0%	83.0%	55.1%~56.1%	55.8%~62.7%	31.2%~44.9%
Pre-tax discount rate	稅前貼現率	15.4%	15.3%	13.4%	15.4%~22.4%	15.5%	15.4%	13.5%	15.5%~22.8%

## 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

##### 重大估計

於2020年初由於新型冠狀病毒肺炎疫情爆發導致集團之銷售有所下降，管理層重新計算所有業務於2020年6月30日的現金產生單位(「現金產生單位」)的可收回金額。除了嘉豪食品有限公司及其附屬公司(「嘉豪食品」)的現金產生單位確認了減值虧損人民幣495,498,000元導致此現金產生單位之商譽賬面值由人民幣3,635,550,000元減少至人民幣3,140,052,000元外，其餘現金產生單位無需確認減值虧損。

現金產生單位的可收回金額是根據使用價值計算並與2019年12月31日使用的方法一致。詳情請參看截至2019年12月31日止年度的綜合財務報表附註9(a)。下表列出於2020年6月30日已更新減值計算的現金產生單位的關鍵假設：

## 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) Goodwill impairment (continued)

##### Significant estimates (continued)

The recoverable amount of the CGU of Flavours Subgroup and CGU of Reconstituted Tobacco Leaves would equal its carrying amount if the key assumptions were to change as follows:

		As at 30 June 2020 於2020年6月30日			
		Flavours Subgroup 香精		Reconstituted Tobacco Leaves 再造煙葉	
		From 由	To 至	From 由	To 至
Forecast growth rate	預計增長率	-3.0%~0.0%	-59.8%~-56.8%	0.4%~6.6%	-4.6%~1.6%
Terminal growth rate*	永續年增長率*	NA	NA	3.0%	-0.4%
Budgeted gross profit margin	預計毛利率	83.0%	37.6%	55.3%~56.0%	50.9%~51.7%
Pre-tax discount rate	稅前貼現率	15.4%	78.7%	15.3%	17.1%

\* 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.

## 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)

##### 重大估計(續)

若以下關鍵假設變更，香精業務的現金產生單位的可收回金額和再造煙葉業務的現金產生單位的可收回金額將等同於其賬面值：

		As at 31 December 2019 於2019年12月31日			
		Flavours Subgroup 香精		Reconstituted Tobacco Leaves 再造煙葉	
		From 由	To 至	From 由	To 至
Forecast growth rate	預計增長率	0.0%	-58.8%	0.4%~5.4%	-3.1%~1.9%
Terminal growth rate*	永續年增長率*	NA	NA	3.0%	0.7%
Budgeted gross profit margin	預計毛利率	83.0%	38.7%	55.1%~56.1%	51.9%~52.9%
Pre-tax discount rate	稅前貼現率	15.5%	82.6%	15.4%	16.7%

\* 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現金產生單位的賬面值超過其可收回金額。

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

(All amounts in RMB thousands unless otherwise stated)

### 8. INVESTMENTS IN ASSOCIATES

The Group has interests in five (31 December 2019: six) individually immaterial associates as at 30 June 2020. The following table analyses, in aggregate, the movements of the carrying amount of the Group's investments in these associates, and its share of results of these associates.

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

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

### 8. 於聯營公司之投資

於2020年6月30日，本集團於五個(2019年12月31日：六個)並非個別重大的聯營公司擁有權益。下表為本集團於該等聯營公司的投資及其於該等聯營公司應佔業績的合計賬面值變動的分析。

於聯營公司的權益投資變動分析如下：

	Note	Unaudited 未經審核 For the six months ended 30 June 2020 截至2020年 6月30日 止六個月
	附註	
<b>At 1 January</b>	<b>於1月1日</b>	<b>385,881</b>
Share of results of associates	應佔聯營公司業績	<b>6,146</b>
Dividends received	已收股息	<b>(6,952)</b>
Adjustment for transactions between the Group and associates	調整本集團與聯營公司之交易	<b>(942)</b>
Assets classified as held for sale	持作出售資產	<b>(14,332)</b>
	11	
<b>At 30 June</b>	<b>於6月30日</b>	<b>369,801</b>

## 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)

### 8. 於聯營公司之投資(續)

(a) As at 30 June 2020, the Group had interests in the following associates:

(a) 於2020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”)	PRC	40.0%	Produce and sell reconstituted tobacco leaves
貴州黃果樹金葉科技有限公司(「黃果樹金葉」)	中國		生產和銷售再造煙葉
Yunnan Hongta Blue Eagle Paper Co., Ltd. (“Hongta Blue Eagle”)	PRC	25.1%	Manufacture and sales of cigarette paper and auxiliary products
雲南紅塔藍鷹紙業有限公司(「紅塔藍鷹」)	中國		生產和銷售捲煙用紙及輔助品
Beijing Yunji Wuyu Technology Co., LTD	PRC	20.0%	Provide software development service and sale of self-developed software and electronic products
北京雲基物宇科技股份有限公司	中國		提供軟件開發服務及銷售自行開發之軟件及電子產品
Yunnan Ruisheng Tobacco Technology Group Co., Ltd. (“Yunnan Ruisheng”) (i)	PRC	6.72%	Research, develop, produce and sell flavours and additives
雲南瑞升煙草技術(集團)有限公司(「雲南瑞升」)(i)	中國		研發、生產和銷售香精香料及添加劑
Yunnan Nongken Gaoyuan Food Co., Ltd.	PRC	30.0%	Purchase and sale of agricultural products, coffee and tea raw materials
雲南農墾高原食品有限公司	中國		採購及銷售農業產品、咖啡及茶原料
(i) The Group has significant influence over Yunnan Ruisheng by representations on the board of directors of this company.			(i) 本集團通過在雲南瑞升的董事會中委任董事，對這間公司有重大影響力。



## 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. DEFERRED INCOME TAX ASSETS/LIABILITIES

The movements in the deferred income tax are as follows:

### 9. 遞延所得稅資產／負債

遞延所得稅變動如下：

		Unaudited 未經審核							
		Deferred income tax assets 遞延所得稅資產			Deferred income tax liabilities 遞延所得稅負債				
		Unrealised profits arising from intra-group sales	Recoverable tax loss	Others	Total	Valuation surplus of assets and recognition of intangible assets	Withholding income tax on dividends expected to be remitted from group entities incorporated in the PRC	Total	
		Note					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		
		附註	集團內公司間銷售所產生的集團內未變現盈利	可彌補虧損	其他	總計	資產評估盈餘及無形資產的確認	總計	
<b>At 1 January 2019</b>	<b>於2019年1月1日</b>		67,073	21,766	23,200	112,039	165,751	88,769	254,520
Recognised in the income statement	於損益表確認	19	1,337	(8,290)	2,755	(4,198)	(6,812)	(71,369)	(78,181)
Currency translation differences	貨幣換算差額		-	-	-	-	11	-	11
<b>At 30 June 2019</b>	<b>於2019年6月30日</b>		68,410	13,476	25,955	107,841	158,950	17,400	176,350
<b>At 1 January 2020</b>	<b>於2020年1月1日</b>		<b>78,571</b>	<b>23,095</b>	<b>33,591</b>	<b>135,257</b>	<b>153,191</b>	<b>52,545</b>	<b>205,736</b>
Recognised in the income statement	於損益表確認	19	(3,861)	1,413	5,506	3,058	(7,160)	(38,529)	(45,689)
<b>At 30 June 2020</b>	<b>於2020年6月30日</b>		<b>74,710</b>	<b>24,508</b>	<b>39,097</b>	<b>138,315</b>	<b>146,031</b>	<b>14,016</b>	<b>160,047</b>

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

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

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

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

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

(All amounts in RMB thousands unless otherwise stated)

### 9. DEFERRED INCOME TAX ASSETS/LIABILITIES (continued)

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

As at 30 June 2020, deferred income tax liabilities of RMB151,652,000 (31 December 2019: RMB138,170,000) have not been recognised for the withholding tax that would otherwise be payable on the undistributed profits of certain PRC subsidiaries.

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

### 9. 遞延所得稅資產／負債(續)

根據全國人民代表大會於2007年3月16日通過的中國企業所得稅法，由2008年1月1日，中國企業向海外投資者分派股息，需按10%之稅率徵收所得稅。基於中國及香港有特別稅務協定，故中國企業向香港投資企業分派股息，可享有較優惠的稅率5%徵收。但該5%協定稅率並非自動獲得，納稅人需要向有關主管稅務局申請批准享有稅務協定。本公司董事預計會將某些中國大陸附屬公司之盈利派發股息予其於香港的直接母公司並將獲得協定稅率批准。因此，遞延所得稅負債乃按預期匯出香港之盈利以5%或10%的稅率計算。本公司董事將不時檢討本集團之資金需求並適時調整附屬公司之股息政策。

於2020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151,652,000元（2019年12月31日：人民幣138,170,000元）。

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

(All amounts in RMB thousands unless otherwise stated)

### 10. TRADE AND OTHER RECEIVABLES

			As at 30 June 2020 於2020年 6月30日 Unaudited 未經審核	As at 31 December 2019 於2019年 12月31日 Audited 經審核
Trade receivables	貿易應收款項	(a)	<b>967,902</b>	922,923
Less: provision for impairment of trade receivables	減：貿易應收款項減值撥備		<b>(11,818)</b>	(12,263)
Trade receivables – net	貿易應收款項－淨額		<b>956,084</b>	910,660
Notes receivable	應收票據		<b>78,648</b>	189,187
Interest and dividend receivable	應收利息及股息		<b>40,003</b>	34,536
Advances to staff	員工墊款		<b>9,311</b>	6,489
Prepayments and other receivables	預付款項及其他應收款項		<b>199,889</b>	212,217
Less: provision for impairment of other receivables	減：其他應收款項減值撥備		<b>(33,894)</b>	(30,463)
			<b>1,250,041</b>	1,322,626

Except for prepayments of RMB43,255,000 (31 December 2019: RMB30,400,000), trade and other receivables balances are categorised as “financial assets measured at amortised cost”. All trade and other receivables are either repayable within one year or on demand. Accordingly, the fair values of the trade and other receivables approximate their carrying amounts.

除預付賬款人民幣43,255,000元(2019年12月31日：人民幣30,400,000元)外，貿易及其他應收款被分類為「以攤銷成本計量的金融資產」。所有貿易及其他應收款項乃於一年內或於通知時清還。故貿易及其他應收款項賬面值與公允價值相若。

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

### 10. 貿易及其他應收款項

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

(All amounts in RMB thousands unless otherwise stated)

### 10. TRADE AND OTHER RECEIVABLES (continued)

- (a) The credit period granted to customers generally ranges from 0 to 180 days. At 30 June 2020 and 31 December 2019, the ageing analysis of the trade receivables (including amounts due from related parties which are trade in nature) based on the invoice date was as follows:

		<b>As at 30 June 2020 於2020年 6月30日 Unaudited 未經審核</b>	As at 31 December 2019 於2019年 12月31日 Audited 經審核
0 – 90 days	0至90日	<b>787,795</b>	792,694
91 – 180 days	91至180日	<b>102,193</b>	41,649
181 – 360 days	181至360日	<b>52,575</b>	53,353
Over 360 days	360日以上	<b>25,339</b>	35,227
		<b>967,902</b>	922,923

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. For the six months ended 30 June 2020, a provision of RMB863,000 (six months ended 30 June 2019: RMB4,381,000) and a write-off as uncollectible of RMB1,308,000 (six months ended 30 June 2019: RMB1,452,000) were made against the gross amounts of trade receivables.

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

### 10. 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2020年6月30日及2019年12月31日，貿易應收款項(包括關聯人士的貿易應收款項)根據發票日期的賬齡分析如下：

本集團採用簡化方法並根據香港財務報告準則第9號所規定計提預期信貸虧損。截至2020年6月30日止六個月，已對貿易應收款項總額作出人民幣863,000元之撥備(截至2019年6月30日止六個月：人民幣4,381,000元)及沖銷人民幣1,308,000元無法收回之款項(截至2019年6月30日止六個月：人民幣1,452,000元)。

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

(All amounts in RMB thousands unless otherwise stated)

### 11. ASSETS CLASSIFIED AS HELD FOR SALE

On 20 May 2020, Guangdong Jinye Technology Development Co., Ltd. ("Guangdong Jinye"), a non-wholly owned subsidiary of the Group, entered into an equity interest transfer agreement ("Agreement") with an independent third party, Hunan Zhongyan Industrial Co., Ltd. ("Hunan Zhongyan"). Pursuant to the Agreement, all the 10% equity interest in Hunan Golden Leaf Reconstituted Tobacco Leaves Co., Ltd. ("Hunan Golden Leaf") held by Guangdong Jinye as its associate company, would be transferred to Hunan Zhongyan. The consideration of the equity interest transfer was estimated to be approximately RMB11,582,000 based on the latest net asset assessment of Hunan Golden Leaf.

The Group's investment in Hunan Golden Leaf was consequently presented as assets classified as held for sale in condensed consolidated statement of financial position at 30 June 2020, and was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. An impairment loss of assets classified as held for sale of RMB2,750,000 was recognised during the current reporting period.

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

### 11. 持作出售資產

於2020年5月20日，廣東省金葉科技開發有限公司(「廣東金葉」)，為本集團的一間非全資附屬公司，與獨立第三方湖南中煙工業有限責任公司(「湖南中煙」)簽訂股權轉讓協議(「協議」)，根據協議，廣東金葉將其持有之一間聯營公司湖南金葉煙草薄片有限責任公司(「湖南金葉」)之10%股權全部轉讓予湖南中煙。根據對湖南金葉的最新淨資產評估，股權轉讓對價估計約為人民幣11,582,000元。

因此本集團對湖南金葉的投資於2020年6月30日之簡明綜合財務狀況表呈列為持作出售資產，並於重分類當天以賬面值和公允價值扣除出售成本的較低者計量。本報告期內，持作出售資產確認了減值虧損人民幣2,750,000元。

		As at 30 June 2020 於2020年 6月30日 Unaudited 未經審核	As at 31 December 2019 於2019年 12月31日 Audited 已審核
<b>Assets classified as held for sale:</b>	<b>持作出售資產：</b>		
Investment in an associate	於聯營公司之投資	<b>11,582</b>	-

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

(All amounts in RMB thousands unless otherwise stated)

### 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
<b>Ordinary shares, issued and fully paid:</b> 普通股，已發行及繳足：			
<b>At 1 January 2019</b>	於2019年1月1日	<b>3,107,962,876</b>	<b>318,647</b>
Cancellation of repurchased shares	註銷已回購股份	(126,000)	(11)
<b>At 30 June 2019</b>	於2019年6月30日	<b>3,107,836,876</b>	<b>318,636</b>
<b>At 31 December 2019, 1 January 2020 and 30 June 2020</b>	於2019年12月31日，2020年1月 1日及2020年6月30日	<b>3,107,836,876</b>	<b>318,636</b>

### 13. SHARE-BASED PAYMENT

#### Share option scheme

On 6 May 2019, the Group granted 11,000,000 share options with an exercise price of HKD3.708 per share and vesting periods of 0.5 to 1 year to an eligible participant, being an independent business consultant of the Group, to provide professional advisory services regarding the operation and management of the Group. The share options were valid from the respective exercisable dates, namely 5 November 2019 and 5 May 2020, to 30 June 2020.

The estimated fair value of the share options per share for the six months ended 30 June 2020 was from HK1.2 cents to HK3.5 cents, by reference to the fair value of the equity instruments granted, measured at the date the business consultant rendered service. During the six months ended 30 June 2020, the Group recognised a total expense of approximately HKD108,000 (equivalent to approximately RMB98,000) in relation to these share options.

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

### 12. 股本

### 13. 股份為基礎的支付

#### 購股權計劃

於2019年5月6日，本集團向一名獨立業務顧問授出11,000,000股購股權以對集團營運及管理提供專業顧問服務，行使價為每股港幣3.708元及歸屬期為0.5年至1年。購股權的有效期限從可行使日（即2019年11月5日及2020年5月5日）起至2020年6月30日止。

截至2020年6月30日止六個月期間，購股權之估計公允價值為每股港幣1.2仙至港幣3.5仙，此仍於顧問提供服務日參考授出之權益工具而計量。截至2020年6月30日止六個月，本集團確認購股權有關之費用總額為港幣108,000元（等於約人民幣98,000元）。

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

(All amounts in RMB thousands unless otherwise stated)

### 13. SHARE-BASED PAYMENT (continued)

#### Share option scheme (continued)

11,000,000 share options outstanding with weighted average exercise price of HKD3.708 per share as at 30 June 2020 and 31 December 2019 would lapse on 1 July 2020. Movements in the number of shares options outstanding for the six months ended 30 June 2020 and 2019 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	
		2020 2020年 Number of share options 購股權數目 (‘000) (股數以千計)	2019 2019年 Number of share options 購股權數目 (‘000) (股數以千計)
<b>At 1 January</b>	<b>於1月1日</b>	<b>11,000</b>	–
Granted	授出	–	11,000
<b>At 30 June</b>	<b>於6月30日</b>	<b>11,000</b>	11,000

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

### 13. 股份為基礎的支付(續)

#### 購股權計劃(續)

於2019年及2020年6月30日加權平均行使價為每股港幣3.708元的之未行使的11,000,000股購股權將於2020年7月1日失效。截至2019年及2020年6月30日止六個月期間，未行使的購股權數目之變動列示如下：

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

## 簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

### 14. RESERVES

### 14. 儲備

		Unaudited 未經審核										
		Contributed surplus	Treasury shares	Merger reserve	Share premium	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Currency translation reserve	Statutory Reserve	Other reserves	Total
		實繳盈餘	庫存股份	合併儲備	股份溢價	資本儲備	資本贖回儲備	以股份為基礎的酬金儲備	貨幣換算儲備	法定儲備	其他儲備	總計
<b>At 1 January 2019</b>	<b>於2019年1月1日</b>	296,853	(11)	(628,438)	429,861	2,411	4,760	-	27,795	772,404	1,666,250	2,571,885
Fair value changes on financial assets at FVOCI, net of tax	以公允價值計量且其變動計入其他全面收益之金融資產之除稅後的公允價值變動	-	-	-	-	-	-	-	-	-	(8,476)	(8,476)
Appropriations from net profit	自純利撥付	-	-	-	-	-	-	-	-	708	-	708
Cancellation of repurchased shares	註銷已回購之股份	-	11	-	-	-	-	-	-	-	-	11
Share-based payment - value of consultancy service	股份為基礎的支付-顧問服務價值	-	-	-	-	-	-	777	-	-	-	777
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	-	10,070	-	-	10,070
<b>At 30 June 2019</b>	<b>於2019年6月30日</b>	296,853	-	(628,438)	429,861	2,411	4,760	777	37,865	773,112	1,657,774	2,574,975
<b>At 1 January 2020</b>	<b>於2020年1月1日</b>	<b>296,853</b>	<b>-</b>	<b>(628,438)</b>	<b>429,861</b>	<b>2,411</b>	<b>4,760</b>	<b>907</b>	<b>14,588</b>	<b>773,104</b>	<b>1,646,483</b>	<b>2,540,529</b>
Fair value changes on financial assets at FVOCI, net of tax	以公允價值計量且其變動計入其他全面收益之金融資產之除稅後的公允價值變動	-	-	-	-	-	-	-	-	-	(1,669)	(1,669)
Appropriations from net profit	自純利撥付	-	-	-	-	-	-	-	-	3,050	-	3,050
Changes in ownership interests in a subsidiary without change of control	改變附屬公司之所有者權益而不改變控制權	-	-	-	-	-	-	-	-	-	24,287	24,287
Share-based payment- value of consultancy service	股份為基礎的支付-顧問服務價值	-	-	-	-	-	-	98	-	-	-	98
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	-	(39,575)	-	-	(39,575)
<b>At 30 June 2020</b>	<b>於2020年6月30日</b>	<b>296,853</b>	<b>-</b>	<b>(628,438)</b>	<b>429,861</b>	<b>2,411</b>	<b>4,760</b>	<b>1,005</b>	<b>(24,987)</b>	<b>776,154</b>	<b>1,669,101</b>	<b>2,526,720</b>



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

(All amounts in RMB thousands unless otherwise stated)

### 15. BORROWINGS

		Note	As at 30 June 2020 於2020年 6月30日 Unaudited 未經審核	As at 31 December 2019 於2019年 12月31日 Audited 經審核
<b>Non-current</b>	<b>非流動</b>			
Long-term bank borrowings	長期銀行貸款			
– Secured bank borrowings	– 有抵押銀行貸款	(a)	<b>1,860,474</b>	2,310,474
– Unsecured bank borrowings	– 無抵押銀行貸款	(b)	<b>246,629</b>	–
Less: current portion	減：流動部份		<b>(123,315)</b>	–
			<b>1,983,788</b>	2,310,474
<b>Current</b>	<b>流動</b>			
Current portion of non-current liabilities	非流動負債下之流動部份			
– Unsecured bank borrowings	– 無抵押銀行貸款	(b)	<b>123,315</b>	–
Short-term bank borrowings	短期銀行貸款			
– Unsecured bank borrowings	– 無抵押銀行貸款	(b)	<b>749,795</b>	688,302
			<b>873,110</b>	688,302
<b>Total borrowings</b>	<b>總貸款</b>		<b>2,856,898</b>	2,998,776

(a) The Group's secured bank borrowings as at 30 June 2020 of RMB1,860,474,000 (31 December 2019: RMB2,310,474,000) were repayable within four years and secured by certain buildings, right-of-use for land of Guangdong Jiahao Foodstuff Co., Ltd. ("Guangdong Jiahao") with total carrying values of RMB90,185,000 (31 December 2019: RMB91,856,000), and equity interest in Jiahao Foodstuff Limited and Guangdong Jiahao. For the six months ended 30 June 2020, the average interest rate of the loan was 5.7% (six months ended 30 June 2019: 5.7%) per annum.

(b) The Group's unsecured bank borrowings are repayable within one to two years. For the six months ended 30 June 2020, the average interest rate was 3.0% (six months ended 30 June 2019: 3.7%) per annum.

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

### 15. 貸款

	Note	As at 30 June 2020 於2020年 6月30日 Unaudited 未經審核	As at 31 December 2019 於2019年 12月31日 Audited 經審核
<b>Non-current</b>			
Long-term bank borrowings			
– Secured bank borrowings	(a)	<b>1,860,474</b>	2,310,474
– Unsecured bank borrowings	(b)	<b>246,629</b>	–
Less: current portion		<b>(123,315)</b>	–
		<b>1,983,788</b>	2,310,474
<b>Current</b>			
Current portion of non-current liabilities			
– Unsecured bank borrowings	(b)	<b>123,315</b>	–
Short-term bank borrowings			
– Unsecured bank borrowings	(b)	<b>749,795</b>	688,302
		<b>873,110</b>	688,302
<b>Total borrowings</b>		<b>2,856,898</b>	2,998,776

(a) 本集團於2020年6月30日的有抵押銀行貸款為人民幣1,860,474,000元(2019年12月31日：人民幣2,310,474,000元)，該貸款於四年內償還，並以廣東嘉豪食品有限公司(「廣東嘉豪」)總賬面值為人民幣90,185,000元(2019年12月31日：人民幣91,856,000元)的樓宇和土地使用權資產，以及嘉豪食品有限公司及廣東嘉豪之股權作為抵押。於2020年6月30日止六個月，該貸款之平均利息為每年5.7厘(截至2019年6月30日止六個月：5.7厘)。

(b) 無抵押銀行貸款需於一至兩年內到期償還。於2020年6月30日止六個月，該貸款平均利息為每年3.0厘(截至2019年6月30日止六個月：3.7厘)。

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

(All amounts in RMB thousands unless otherwise stated)

### 15. BORROWINGS (continued)

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

Interest expense on bank borrowings for the six months ended 30 June 2020 amounted to approximately RMB76,703,000 (six months ended 30 June 2019: RMB98,250,000). No interest expense was capitalised during the six months ended 30 June 2020 and 2019.

### 16. TRADE AND OTHER PAYABLES

Trade payables	貿易應付款項	(a)	<b>243,090</b>	303,171
Dividends payable to non-controlling interests	應付非控制性權益之股息		<b>9,186</b>	1,218
Wages payable	應付工資		<b>95,549</b>	97,668
Other taxes payable	其他應付稅項		<b>48,923</b>	107,420
Accruals for expenses	應計開支		<b>12,136</b>	28,540
Other payables	其他應付款項		<b>142,570</b>	129,647
			<b>551,454</b>	667,664

Except for other taxes payable of RMB48,923,000 (31 December 2019: RMB107,420,000) and wages payable of RMB95,549,000 (31 December 2019: RMB97,668,000), trade and other payables balances are financial liabilities categorised under “financial liabilities measured at amortised cost”. The fair values of trade and other payables approximate their carrying amounts.

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

### 15. 貸款(續)

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

截至2020年6月30日止六個月的銀行貸款利息開支約為人民幣76,703,000元(截至2019年6月30日止六個月：人民幣98,250,000元)。截至2020年和2019年6月30日止六個月並無利息開支資本化。

### 16. 貿易及其他應付款項

Note 附註	As at 30 June 2020 於2020年 6月30日 Unaudited 未經審核	As at 31 December 2019 於2019年 12月31日 Audited 經審核
(a)	<b>243,090</b>	303,171
	<b>9,186</b>	1,218
	<b>95,549</b>	97,668
	<b>48,923</b>	107,420
	<b>12,136</b>	28,540
	<b>142,570</b>	129,647
	<b>551,454</b>	667,664

除其他應付稅款人民幣48,923,000元(2019年12月31日：人民幣107,420,000元)及應付工資人民幣95,549,000元(2019年12月31日：人民幣97,668,000元)外，貿易及其他應付款乃金融負債被分類為「按攤銷成本計量的金融負債」。貿易及其他應付款項的公允價值與其賬面值相若。

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

(All amounts in RMB thousands unless otherwise stated)

### 16. TRADE AND OTHER PAYABLES (continued)

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

		<b>As at 30 June 2020 於2020年 6月30日 Unaudited 未經審核</b>	As at 31 December 2019 於2019年 12月31日 Audited 經審核
Non-current	非流動	<b>800</b>	800
Current	流動	<b>550,654</b>	666,864
		<b>551,454</b>	667,664

(a) As at 30 June 2020 and 31 December 2019, 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:

		<b>As at 30 June 2020 於2020年 6月30日 Unaudited 未經審核</b>	As at 31 December 2019 於2019年 12月31日 Audited 經審核
0 – 90 days	0至90日	<b>198,242</b>	271,546
91 – 180 days	91至180日	<b>26,896</b>	16,859
181 – 360 days	181至360日	<b>7,208</b>	4,248
Over 360 days	360日以上	<b>10,744</b>	10,518
		<b>243,090</b>	303,171

## 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. 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：

		<b>As at 30 June 2020 於2020年 6月30日 Unaudited 未經審核</b>	As at 31 December 2019 於2019年 12月31日 Audited 經審核
Non-current	非流動	<b>800</b>	800
Current	流動	<b>550,654</b>	666,864
		<b>551,454</b>	667,664

(a) 於2020年6月30日及2019年12月31日，貿易應付款項(包括關聯人士的貿易應付款項)根據發票日期的賬齡分析如下：

		<b>As at 30 June 2020 於2020年 6月30日 Unaudited 未經審核</b>	As at 31 December 2019 於2019年 12月31日 Audited 經審核
0 – 90 days	0至90日	<b>198,242</b>	271,546
91 – 180 days	91至180日	<b>26,896</b>	16,859
181 – 360 days	181至360日	<b>7,208</b>	4,248
Over 360 days	360日以上	<b>10,744</b>	10,518
		<b>243,090</b>	303,171

## 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. OTHER INCOME AND OTHER GAINS – NET

### 17. 其他收入及其他收益－淨額

		Unaudited 未經審核	
		For the six months ended 30 June	
		截至6月30日止六個月	
		2020 2020年	2019 2019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	1,310	(12,986)
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的金融資產的收益	173	6,070
Losses on disposal of subsidiaries	出售附屬公司之虧損	(1,433)	–
Government grants	政府津貼	108,918	117,857
Currency exchange gain/(loss) – net	貨幣匯兌收益／(虧損)－淨額	41,205	(1,462)
Net 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虧損	(321)	(1,888)
Others	其他	83	(1,009)
		<b>149,935</b>	106,582

### 18. EXPENSES BY NATURE

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

### 18. 按性質分類的開支

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

		Unaudited 未經審核	
		For the six months ended 30 June	
		截至6月30日止六個月	
		2020 2020年	2019 2019年
Depreciation	折舊	6	75,852
Amortisation	攤銷	6	48,335
Employee benefit expenses	僱員福利開支	6	218,639
Research and development expenses	研究及發展開支	(a)	108,597
Short-term lease rentals	短期租賃租金	6	3,109
Travelling expenses	差旅開支	6	18,509
Utility expenses	公共設施開支	6	29,607
Delivery expenses	運輸開支	6	15,446

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

(All amounts in RMB thousands unless otherwise stated)

### 18. EXPENSES BY NATURE (continued)

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

		Unaudited 未經審核 For the six months ended 30 June 截至6月30日止六個月		
		Note 附註	2020 2020年	2019 2019年
Depreciation	折舊	6	8,955	9,253
Amortisation	攤銷	6	2,346	1,710
Employee benefit expenses	僱員福利開支		55,270	73,458

### 19. INCOME TAX EXPENSE

		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	2020 2020年	2019 2019年
Current income tax:	即期稅項：			
– PRC corporate income tax	– 中國企業所得稅	(a)	180,489	264,663
– Hong Kong profits tax	– 香港所得稅	(b)	4,921	5,169
– Botswana company income tax	– 博茨瓦納企業所得稅	(c)	491	268
– Germany company income tax	– 德國企業所得稅	(d)	–	–
Deferred income tax	遞延所得稅	9	(48,747)	(73,983)
			<b>137,154</b>	196,117

- (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 2019: 16.5%) on the estimated assessable profit for the period.
- (c) Botswana company income tax has been provided at the rate of 15.0% (six months ended 30 June 2019: 15.0%) on the estimated assessable profit for the period.

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

### 18. 按性質分類的開支(續)

- (a) 研究及發展開支中包括的折舊、攤銷及僱員福利開支列示如下：

### 19. 所得稅

- (a) 中國企業所得稅按本集團在中國大陸企業於本期間估計應課稅盈利以其適用的稅率計算。
- (b) 香港所得稅按本期間估計應課稅盈利以稅率16.5% (截至2019年6月30日止六個月：16.5%)撥備。
- (c) 博茨瓦納企業所得稅按本期間估計應課稅盈利以稅率15.0% (截至2019年6月30日止六個月：15.0%)撥備。

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

(All amounts in RMB thousands unless otherwise stated)

### 19. INCOME TAX EXPENSE (continued)

- (d) Germany company income tax has been provided at the rate of 15.0% (six months ended 30 June 2019: 15.0%) on the estimated assessable profit for the period.
- (e) No provision for income tax in other jurisdictions has been made as the Group had no assessable profit in other jurisdictions for the six months ended 30 June 2020 and 2019.

### 20. (LOSSES)/EARNINGS PER SHARE

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue for the six months ended 30 June 2020 and 2019.

## 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. 所得稅(續)

- (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2019年6月30日止六個月：15.0%)撥備。
- (e) 本集團於截至2020年及2019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。

### 20. 每股(虧損)/盈利

每股基本(虧損)/盈利乃根據本期間本公司權益持有人應佔(虧損)/盈利，除以截至2020年及2019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。

		<b>Unaudited</b> 未經審核	
		<b>For the six months ended</b>	
		<b>30 June</b>	
		<b>截至6月30日止六個月</b>	
		<b>2020</b>	2019
		<b>2020年</b>	2019年
(Loss)/profit attributable to equity holders of the Company	本公司權益持有人應佔(虧損)/盈利	<b>(45,434)</b>	480,289
Weighted average number of ordinary shares in issue ('000)	已發行之普通股之加權平均數(千計)	<b>3,107,837</b>	3,107,837
<b>Basic (losses)/earnings per share attributable to owners of the Company (RMB cents per share)</b>	<b>本公司權益持有人應佔每股基本(虧損)/盈利(每股人民幣分)</b>	<b>(1.46)</b>	15.45

For the six months ended 30 June 2020 and 2019, the outstanding share options granted by the Company have no potential dilutive effect on the basic (losses)/earnings per share, and thus the diluted (losses)/earnings per share was the same as the basic (losses)/earnings per share.

截至2020年及2019年6月30日止六個月，公司授出之尚未行使之購股權對每股基本(虧損)/盈利沒有攤薄效應。故每股攤薄(虧損)/盈利與每股基本(虧損)/盈利相等。

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

(All amounts in RMB thousands unless otherwise stated)

### 21. DIVIDENDS

		Unaudited 未經審核	
		For the six months ended 30 June	
		截至6月30日止六個月	
		2020 2020年	2019 2019年
Paid interim dividend of HK 8.8 cents per share in relation to the six months ended 30 June 2019	已付與截至2019年6月30日止六個月相關的中期股息每股港幣8.8仙	-	247,048
Proposed special dividend of HK 6.0 cents per share for the six months ended 30 June 2020 (six months ended 30 June 2019: Nil)	擬派截至2020年6月30日止六個月之特別股息每股港幣6.0仙(截至2019年6月30日止六個月：無)	<b>170,329</b>	-
		<b>170,329</b>	247,048

Interim dividend of approximately HKD273,490,000 (equivalent to approximately RMB247,048,000) for the six months ended 30 June 2019 was paid in October 2019. Final dividend of approximately HKD310,784,000 (equivalent to approximately RMB285,887,000) for the year ended 31 December 2019 was paid in June 2020.

As the special dividend was declared after the balance sheet date, they have not been recognised as dividend payable as at 30 June 2020.

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

### 21. 股息

截至2019年6月30日止六個月之中期股息約港幣273,490,000元(折合約人民幣247,048,000元)已於2019年10月支付。截至2019年12月31日止年度之期末股息約港幣310,784,000元(折合約人民幣285,887,000元)已於2020年6月支付。

由於特別股息乃於結算日後宣派，此應付股息並未確認於2020年6月30日之應付股息內。

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

(All amounts in RMB thousands unless otherwise stated)

### 22. CAPITAL COMMITMENTS

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

		As at 30 June 2020 於2020年 6月30日 Unaudited 未經審核	As at 31 December 2019 於2019年 12月31日 Audited 經審核
Property, plant and equipment	物業、機器及設備	95,284	110,441
Intangible assets	無形資產	538	1,455
Investment in an associate	於聯營公司之投資	-	43,420
Financial assets at FVOCI	以公允價值計量且其變動計入 其他全面收益之金融資產	93,558	92,193
Financial assets at FVPL	以公允價值計量且其變動計入 損益之金融資產	17,597	17,597
		<b>206,977</b>	265,106

### 23. RELATED PARTY TRANSACTIONS

#### (a) Name and relationship with related parties

**Name**  
名稱

Huangguoshu Golden Leaf  
黃果樹金葉  
Hongta Blue Eagle  
紅塔藍鷹  
Hunan Golden Leaf  
湖南金葉  
Yunnan Ruisheng  
雲南瑞升  
Dianhua Benxiang Technology Co., LTD (“Dianhua Benxiang”)  
滇華本香科技有限公司 (「滇華本香」)  
Yingtian Weizhijia Food Co. Ltd. (“Weizhijia”)  
鷹潭味之家食品有限公司 (「味之家」)  
Broad Far (Hong Kong) Co. Ltd. (“Broad Far”)  
博遠 (香港) 有限公司 (「博遠」)

## 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. 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 2020 於2020年 6月30日 Unaudited 未經審核	As at 31 December 2019 於2019年 12月31日 Audited 經審核
Property, plant and equipment	物業、機器及設備	95,284	110,441
Intangible assets	無形資產	538	1,455
Investment in an associate	於聯營公司之投資	-	43,420
Financial assets at FVOCI	以公允價值計量且其變動計入 其他全面收益之金融資產	93,558	92,193
Financial assets at FVPL	以公允價值計量且其變動計入 損益之金融資產	17,597	17,597
		<b>206,977</b>	265,106

### 23. 關聯人士交易

#### (a) 關聯人士名稱與關係

**Relationship**  
關係

An associate indirectly held by the Company  
本公司間接持有的聯營公司  
An associate indirectly held by the Company  
本公司間接持有的聯營公司  
An associate indirectly held by the Company  
reclassified as assets held for sale  
分類為持作出售的本公司間接持有的聯營公司  
An associate indirectly held by the Company  
本公司間接持有的聯營公司  
A jointly controlled entity indirectly held by  
the Company  
本公司間接持有的共同控制實體  
An entity controlled by the Company's ultimate holder  
本公司最終持有人控制之公司  
An entity controlled by the Company's ultimate holder  
本公司最終持有人控制之公司



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

(All amounts in RMB thousands unless otherwise stated)

### 23. RELATED PARTY TRANSACTIONS (continued)

#### (b) Transactions with related parties

		Unaudited 未經審核 For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年	2019 2019年
<i>Sales of goods:</i>			
	<i>銷售貨品：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉	5,553	3,324
– Hongta Blue Eagle	– 紅塔藍鷹	–	9
– Hunan Golden Leaf	– 湖南金葉	–	294
– Dianhua Benxiang	– 滇華本香	9,354	19,117
– Weizhijia	– 味之家	27,756	18,661
– Broad Far	– 博遠	1,246	–
		<b>43,909</b>	41,405
<i>Purchase of goods and services:</i>			
	<i>購買原材料及服務：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉	1,094	62
– Yunnan Ruisheng	– 雲南瑞升	41	41
– Dianhua Benxiang	– 滇華本香	4,032	8,808
– Weizhijia	– 味之家	–	4,953
		<b>5,167</b>	13,864
<i>Dividend income:</i>			
	<i>股息收入：</i>		
– Hongta Blue Eagle	– 紅塔藍鷹	6,952	10,485

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

### 23. 關聯人士交易(續)

#### (b) 與關聯人士的交易

		Unaudited 未經審核 For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年	2019 2019年
<i>Sales of goods:</i>			
	<i>銷售貨品：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉	5,553	3,324
– Hongta Blue Eagle	– 紅塔藍鷹	–	9
– Hunan Golden Leaf	– 湖南金葉	–	294
– Dianhua Benxiang	– 滇華本香	9,354	19,117
– Weizhijia	– 味之家	27,756	18,661
– Broad Far	– 博遠	1,246	–
		<b>43,909</b>	41,405
<i>Purchase of goods and services:</i>			
	<i>購買原材料及服務：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉	1,094	62
– Yunnan Ruisheng	– 雲南瑞升	41	41
– Dianhua Benxiang	– 滇華本香	4,032	8,808
– Weizhijia	– 味之家	–	4,953
		<b>5,167</b>	13,864
<i>Dividend income:</i>			
	<i>股息收入：</i>		
– Hongta Blue Eagle	– 紅塔藍鷹	6,952	10,485

## 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. RELATED PARTY TRANSACTIONS (continued)

### 23. 關聯人士交易(續)

#### (c) Balances with related parties

#### (c) 關聯人士結餘

		As at 30 June 2020 於2020年 6月30日 Unaudited 未經審核	As at 31 December 2019 於2019年 12月31日 Audited 經審核
<i>Balance due from related parties:</i>	<i>應收關聯人士結餘：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉		
– trade and other receivables	– 貿易及其他應收款	7,222	5,689
– Dianhua Benxiang	– 滇華本香		
– trade and other receivables	– 貿易及其他應收款	47,346	51,088
– Weizhijia	– 味之家		
– other receivables	– 其他應收款	5,226	5,226
– Hongta Blue Eagle	– 紅塔藍鷹		
– trade receivables	– 貿易應收款	–	48
		<b>59,794</b>	62,051
<i>Balance due to related parties:</i>	<i>應付關聯人士結餘：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉		
– trade payables	– 貿易應付款	1,094	–
– Yunnan Ruisheng	– 雲南瑞升		
– trade payables	– 貿易應付款	–	42
– Dianhua Benxiang	– 滇華本香		
– trade payables	– 貿易應付款	6,287	1,330
– Weizhijia	– 味之家		
– trade and other payables	– 貿易及其他應付款	46	43
– contract liabilities	– 合同負債	741	10,269
		<b>8,168</b>	11,684

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

所有關聯人士結餘均為無抵押、免息及須於通知時清還。

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

(All amounts in RMB thousands unless otherwise stated)

### 23. 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 2020 and 2019 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)

### 23. 關聯人士交易(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2019年及2020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：

		<b>Unaudited</b> 未經審核	
		<b>For the six months ended</b>	
		<b>30 June</b>	
		<b>截至6月30日止六個月</b>	
		<b>2020</b>	2019
		<b>2020年</b>	2019年
Fees, salaries and bonus	工資、薪酬及花紅	<b>52,091</b>	32,546
Employer's contributions to retirement benefit scheme	僱主就退休計劃供款	<b>688</b>	312
Other Benefits	其他福利	<b>750</b>	-
		<b>53,529</b>	32,858

## Glossary

## 詞彙

Board	The board of directors of the Company	董事會	本公司的董事會
CEO	Chief Executive Officer	首席執行官	首席執行官
CG Code	Corporate Governance Code as set out in Appendix 14 of the Listing Rules	企業管治守則	上市規則附錄十四所列的企業管治守則
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 2019	去年同期	截至2019年6月30日止六個月
Director(s)	The director(s) of the Company	董事	本公司董事
Executive Director(s)	Executive director(s) of the Company	執行董事	本公司之執行董事
FCCA	Fellow member of the Association of Chartered Certified Accountants	FCCA	英國特許公認會計師公會資深會員
FCIS	Fellow member of The Chartered Governance Institute	FCIS	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	資深會計師
FCPA (Aust.)	Fellow member of CPA Australia Ltd.	FCPA (Aust.)	澳洲資深註冊會計師
FCS	Fellow member of The Hong Kong Institute of Chartered Secretaries	FCS	香港特許秘書公會資深會員
Group or Huabao Group	the Company and its subsidiaries	本集團或華寶集團	本公司及其附屬公司
HKD	Hong Kong dollars, the lawful currency of Hong Kong	港幣	港幣，香港法定貨幣
HKICPA	Hong Kong Institute of Certified Public Accountants	HKICPA	香港會計師公會
Hong Kong or HKSAR	Hong Kong Special Administrative Region of the People's Republic of China	香港	中華人民共和國香港特別行政區
HNB	Heat-not-burn	加熱不燃燒	加熱不燃燒

## Glossary (cont'd)

## 詞彙(續)

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
Jiangxi Xianghai	Jiangxi Xianghai Biological Technology Co.,Ltd.	江西香海	江西香海生物科技有限公司
Listing Rules	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange	上市規則	聯交所主板證券上市規則
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules	標準守則	上市規則附錄十所列的上市發行人董事進行證券交易的標準守則
Pandemic	Novel Coronavirus Pneumonia pandemic	疫情／新冠肺炎 疫情	新型冠狀病毒肺炎疫情
Reporting Period	the six months ended 30 June 2020	報告期	截至2020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 HKD0.10 each in the capital of the Company	股份或普通股	本公司股本中每股面值港幣0.10元的普通股
Shenzhen Stock Exchange	Shenzhen Stock Exchange in the PRC	深圳證券交易所	中國深圳證券交易所
Stock Exchange	The Stock Exchange of Hong Kong Limited	聯交所	香港聯合交易所有限公司
U.S.	United States of America	美國	美利堅合眾國
USD	US dollars, the lawful currency of the United States of America	美元	美元，美國法定貨幣

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