



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

2014-2015 Annual Report 年度報告

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Ms. CHU Lam Yiu (*Chairwoman & CEO*)
Mr. XIA Li Qun (*President & CFO*)
Mr. POON Chiu Kwok (*Company Secretary*)
Mr. WANG Guang Yu

Non-executive Director

Mr. LAM Ka Yu

Independent Non-executive Directors

Dr. DING Ningning
Mr. LEE Luk Shiu
Ms. MA Yun Yan
Mr. WU Chi Keung

AUDIT COMMITTEE

Mr. LEE Luk Shiu (*Chairman*)
Dr. DING Ningning
Ms. MA Yun Yan
Mr. WU Chi Keung

REMUNERATION COMMITTEE

Mr. LEE Luk Shiu (*Chairman*)
Ms. MA Yun Yan
Mr. WU Chi Keung
Mr. XIA Li Qun

NOMINATION COMMITTEE

Ms. CHU Lam Yiu (*Chairwoman*)
Dr. DING Ningning
Mr. LEE Luk Shiu

QUALIFIED ACCOUNTANT

Ms. CHOY Man Har *FCPA, FCCA*

COMPANY SECRETARY

Mr. POON Chiu Kwok *FCIS, FCS*

AUDITORS

PricewaterhouseCoopers

LEGAL ADVISOR

Herbert Smith Freehills

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 (*總裁兼財務總監*)
潘昭國先生 (*公司秘書*)
王光雨先生

非執行董事

林嘉宇先生

獨立非執行董事

丁寧寧博士
李祿兆先生
麻雲燕女士
胡志強先生

審核委員會

李祿兆先生 (*主席*)
丁寧寧博士
麻雲燕女士
胡志強先生

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*)
丁寧寧博士
李祿兆先生

合資格會計師

蔡文霞女士 *FCPA, FCCA*

公司秘書

潘昭國先生 *FCIS, FCS*

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

PRINCIPAL BANKERS

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

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
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

BRANCH SHARE REGISTRAR

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited: 00336

COMPANY WEBSITE

www.hbglobal.com

主要往來銀行

恒生銀行有限公司
招商銀行股份有限公司
中國民生銀行股份有限公司

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
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
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22樓

股份代號

香港聯合交易所有限公司：00336

公司網址

www.hbglobal.com

Financial Highlights

財務摘要

TABLE OF FINANCIAL HIGHLIGHTS

財務摘要表

		2015 二零一五年 HKD'000 港幣千元	2014 二零一四年 HKD'000 港幣千元	Change in percentage 百分比變動
Sales	營業額	4,326,486	4,237,425	+2.1%
Gross profit	毛利	3,025,317	2,998,119	+0.9%
Gross profit margin	毛利率	69.9%	70.8%	
Operating profit	營運盈利	2,320,145	2,377,244	-2.4%
EBIT margin	EBIT率	53.6%	56.1%	
Selling and marketing expenses to sales	銷售及市場推廣開支佔 銷售比率	4.7%	4.0%	
Administration expenses to sales	行政開支佔銷售比率	17.7%	15.5%	
Profit before income tax	除稅前盈利	2,386,247	2,417,245	-1.3%
Profit attributable to the equity holders of the Company	本公司權益持有人應佔盈利	1,986,584	1,977,325	+0.5%
Earnings per share (HK cents)	每股盈利 (港仙)			
– Basic	– 基本	64.02	63.76	+0.4%
– Diluted	– 攤薄	63.93	63.72	+0.3%
Net cash generated from operating activities	營運活動產生之現金淨額	2,141,895	1,824,923	+17.4%
Net cash*	淨現金*	2,875,813	2,651,614	+8.5%
Total equity	總權益	9,403,842	9,000,229	
Interim and special dividends paid per share (HK cents)	已付每股中期及特別 股息 (港仙)	31.72	11.56	
Final and special dividends per share (HK cents)	每股期末及特別股息 (港仙)	–	17.49	
Dividend payout ratio for the year	全年股息分派率	50%	46%	
Debt ratio#	負債比率#	8.2%	6.1%	
Current ratio (times)	流動比率 (倍)	4.1	4.1	
Liquidity ratio (times)	速動比率 (倍)	3.6	3.4	
Inventory turnover (days)	存貨週轉率 (日)	232	226	
Trade receivables turnover (days)	應收賬款週轉率 (日)	79	76	
Trade payables turnover (days)	應付賬款週轉率 (日)	116	120	

+ "Cash and bank balances" means "Short-term time deposits" plus "Cash and cash equivalents".

* "Net cash" means "Short-term time deposits" plus "Cash and cash equivalents" minus "Borrowings".

"Debt ratio" means "Total borrowings (include current & non-current borrowings)" divided by "Total Equity (exclude non-controlling interests)".

+ 「銀行及庫存現金」乃指「短期定期存款」加「現金及現金等價物」。

* 「淨現金」乃指「短期定期存款」加「現金及現金等價物」減「貸款」。

「負債比率」乃指「總貸款 (已包括流動及非流動貸款)」除以「總權益 (不含非控制性權益)」。



Company profile

Huabao International Holdings Limited (the “Group”) is currently engaged in the R&D, production and sales of flavours and fragrances, RTL, new tobacco materials and innovative tobacco products. Adhering to the principle of “catering for the needs of consumers in pursuit of high quality living”, the Group targets at serving the local consumer related industry in China and makes use of internationally advanced flavours and fragrances and related technologies. Leverage on a multi-dimensional platform covering unique materials, open R&D, innovative channels and business incubators, the Group becomes the “leader to a better life” in enhancing the ecological environment for the consumer related industry in various areas.

The Group is a market leader in China’s flavours and fragrances industry. The Group has been the leading producer in terms of sales revenue among competitors, maintaining a significant position within the flavours and fragrances industry in China. The Group possesses an integrated core value chain, established upstream raw material extraction bases in Botswana, southern Africa, Guangdong, Jiangsu, and Hunan, production bases in Shanghai, Guangdong, Jiangsu, Yunnan, Jiangxi, Fujian, and Hong Kong, etc., overseas R&D centres

集團簡介

華寶國際控股有限公司（「本集團」）目前主要從事香精香料、煙草薄片、煙草新材料以及新型煙草製品的研發、生產和銷售。本集團以「追求高品質生活的消費者之需求」為核心，以中國本土消費產業相關行業為服務對象，以國際領先的香精香料及衍生技術為根基，通過獨特原料庫、開放式研發、創新渠道、新業務孵化等多維度的平台機制，成為在多個領域引領提升消費相關產業生態系統的「美好生活引領者」。

本集團為中國香精香料行業的領導者，銷售額在同行業一直名列前茅，在中國香精香料市場佔有重要地位。本集團擁有核心一體化的產業鏈，在非洲博茨瓦納、廣東、江蘇及湖南等地擁有上游原材料提取中心，在上海、廣東、江蘇、雲南、江西、福建及香港等地設有生產基地，在德國霍爾茨明登和美國北卡羅來納州設有海外研發中心，並於上海擁有一所國家級企業技術中心，另在廣東、雲南及福建

Company Profile, Corporate Culture and Key Events for the Year

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in Holzminden of Germany and North Carolina of the United States of America, State-recognised R&D centre in Shanghai and R&D departments in Guangdong, Yunnan and Fujian. The Group takes on leadership roles in a number of flavours and fragrances industry associations in China, including the Deputy Director of China Association of Fragrance Flavour and Cosmetic Industries, Deputy Director of China Food Additives & Ingredients Association and Chairman of Shanghai Food Additive Industry Association.

The Group is also one of the market leaders in China's RTL industry, where its production capacity and sales account for significant market shares and its production workmanship and product quality have reached leading domestic and advanced international levels. Guangdong Jinye, a subsidiary of the Group, is one of the RTL R&D bases authorised by the STMA. In November 2012, the second phase of Guangdong Jinye RTL production line was completed and commenced production. In March 2014, the said production line became the first one that was certified by the STMA and achieved landmark-status in paper-making RTL production. Its production workmanship has been recognised by the STMA to have reached the highest technology level within domestic paper-making RTL production, while its major technical indicators also have reached advanced international levels. In January 2015, the Group's "High-speed high-efficiency clean and stable production key technology of paper-making RTL" was granted "Second Class of the Science and Technology Progress Award 2014" by China National Tobacco Corporation, the highest level of award among RTL players during the year. The award not only signifies that the technological achievements of the Group are widely recognised and acclaimed in the industry at a higher level, but also further consolidates its leading position in the RTL industry.

The Group also maintained its leading position in the fields of new cigarette materials and new workmanships. Three platforms, namely the cigarette smoke transmission technological platform, the dry-pressed RTL technological platform and the innovative tobacco stem technological platform, have been established along with trial production bases, where innovative products are being progressively received by customers. In particular, the Group's dry-pressed RTL technology passed the project identification of the STMA in June 2015 and was identified as the first dry-pressed RTL pilot scale production line and whole set equipment locally and abroad developed with its own intellectual property rights, filling the gap in the industry. Overall, such R&D achievements have attained the advanced international level.

設有研發部門。本集團在中國香精香料行業組織擔任多個領導職位，包括中國香料香精化妝品工業協會副理事長、中國食品添加劑和配料協會副理事長和上海市食品添加劑和配料行業協會會長等。

本集團也是中國煙草薄片行業的領導者之一，其生產能力及銷售額同樣在行內佔有重要市場份額，而且其生產工藝及產品質量均達到國內領先和國際先進水平。本集團的下屬公司廣東金葉是國煙局煙草薄片研發基地之一。二零一二年十一月，廣東金葉二期煙草薄片生產線竣工投產。二零一四年三月，該生產線通過國煙局驗收，為國內首條獲得認證的造紙法煙草薄片標誌性生產線，其生產工藝獲國煙局評定為國產造紙法煙草薄片技術最高水平，主要技術指標亦已達國際先進水平。二零一五年一月，本集團的「造紙法煙草薄片高速高效清潔穩定生產關鍵技術」榮獲中國煙草總公司頒發「2014年度科學技術進步二等獎」（當年煙草薄片行業最高獲獎水平），使該技術成果在更高層面上得到行業的廣泛認可和讚譽，也進一步夯實了本集團在煙草薄片行業的領先地位。

本集團在捲煙新材料及新工藝領域同樣具有領先優勢，目前已成立捲煙煙氣傳質技術、乾法煙草薄片技術及新型煙梗處理技術三個平台，並建成具有試驗性的生產基地，其創新性產品正在逐步被客戶接受。其中，本集團之乾法煙草薄片技術於二零一五年六月通過了國煙局的項目鑑定，被認定為國內外首條具有自主知識產權的乾法煙草薄片中試生產線及成套裝備，填補了行業空白，研究成果整體達到國際領先水平。

Company Profile, Corporate Culture and Key Events for the Year

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Meanwhile, the Group started to develop the business of innovative tobacco products, and particularly the non-nicotine e-cigarette business. Currently, the Group has established its own non-nicotine e-cigarette brand "SPV" and is the first and only brand in Mainland China with large-scale marketing and promotion. Since SPV's first generation product launch in October 2014, the brand has gained considerable recognition after preliminary promotion and is currently the most influential e-cigarette brand in China. In June 2015, reputable actors starred in the brand's microfilm "Stand Point" and the Group plans to kick off the works of comprehensive online and offline channel development. In addition to e-cigarette products, the Group enjoys inherent advantages in tobacco oil products for e-cigarette production mainly benefiting from the Group's comprehensive technological strengths in tobacco chemistry, analysis and flavours and fragrances composition. Currently, the Group has developed tens of unique tastes and flavours of tobacco oil products for e-cigarette production, enjoying a leading position in the industry.

The Group will continue in adhering to its core development strategy of "Multi-pronged, Focused Growth" beginning with "core flavour and fragrance technology". By nurturing new businesses with innovation incubators and expanding into new businesses along the industry chain (both upstream and downstream), the Group will gradually strengthen and develop its multi-layered core competencies, namely, "maintaining close partnership with the PRC tobacco enterprises", "mastering control over retail channels" and "developing food additives channels" with a view to building the Group into a strategic investment holding group of "Multi-pronged, Focused Growth".

同時，本集團也已著手在新型煙草製品，特別是不含尼古丁的電子霧化煙產品方面開展相關業務。目前，本集團已創建了自有不含尼古丁的電子煙品牌 SPV (中文名稱：立場)，是國內市場第一家亦是目前唯一在進行大規模市場推廣和宣傳的品牌。自二零一四年十月 SPV 推出第一代產品以來，經過一段時間的初期推廣，品牌已具備了相當的知名度，是目前中國最具影響力的電子煙品牌。二零一五年六月，本集團聘請國內知名明星主演品牌微電影《立場》，並於線上、線下全面展開渠道的鋪設工作。除電子煙產品外，本集團在電子煙煙油方面具有先天的優勢，這主要是得益於本集團在煙草化學、分析、香精香料調配等方面優秀的綜合技術實力。本集團目前已儲備數十種具有特色口味、風格的電子煙煙油產品，在業內處於領先地位。

本集團將堅持以「同心多元化」作為根本的業務組合發展策略，以「香精香料核心技術」為多元化之起點，通過創新孵化機制，沿產業鏈上下游拓展新業務，逐步強化並發展「中國煙草緊密合作伙伴關係」、「零售渠道掌控能力」、「食品添加劑渠道能力」等多層次核心能力，把本集團打造成為「同心多元化」戰略投資控股集團。

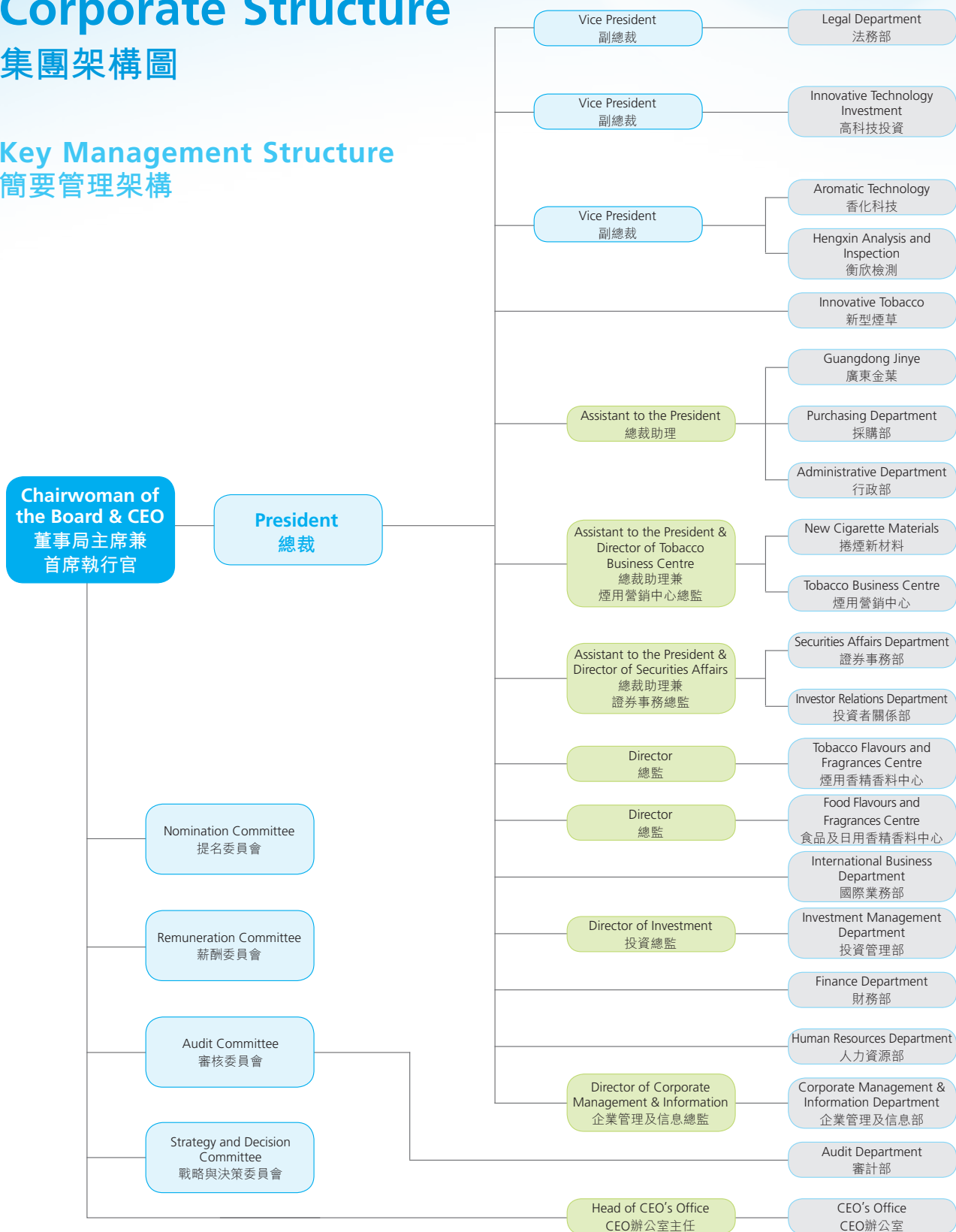


Corporate Structure

集團架構圖

Key Management Structure

簡要管理架構



Corporate Culture

企業文化

Vision 願景

Leader to a better life

美好生活引領者

Spirit 精神

Innovative, pragmatic, loyal and cooperative

創新、務實、忠誠、協作

Core Value 核心價值觀

Client first, value creation and shared achievements

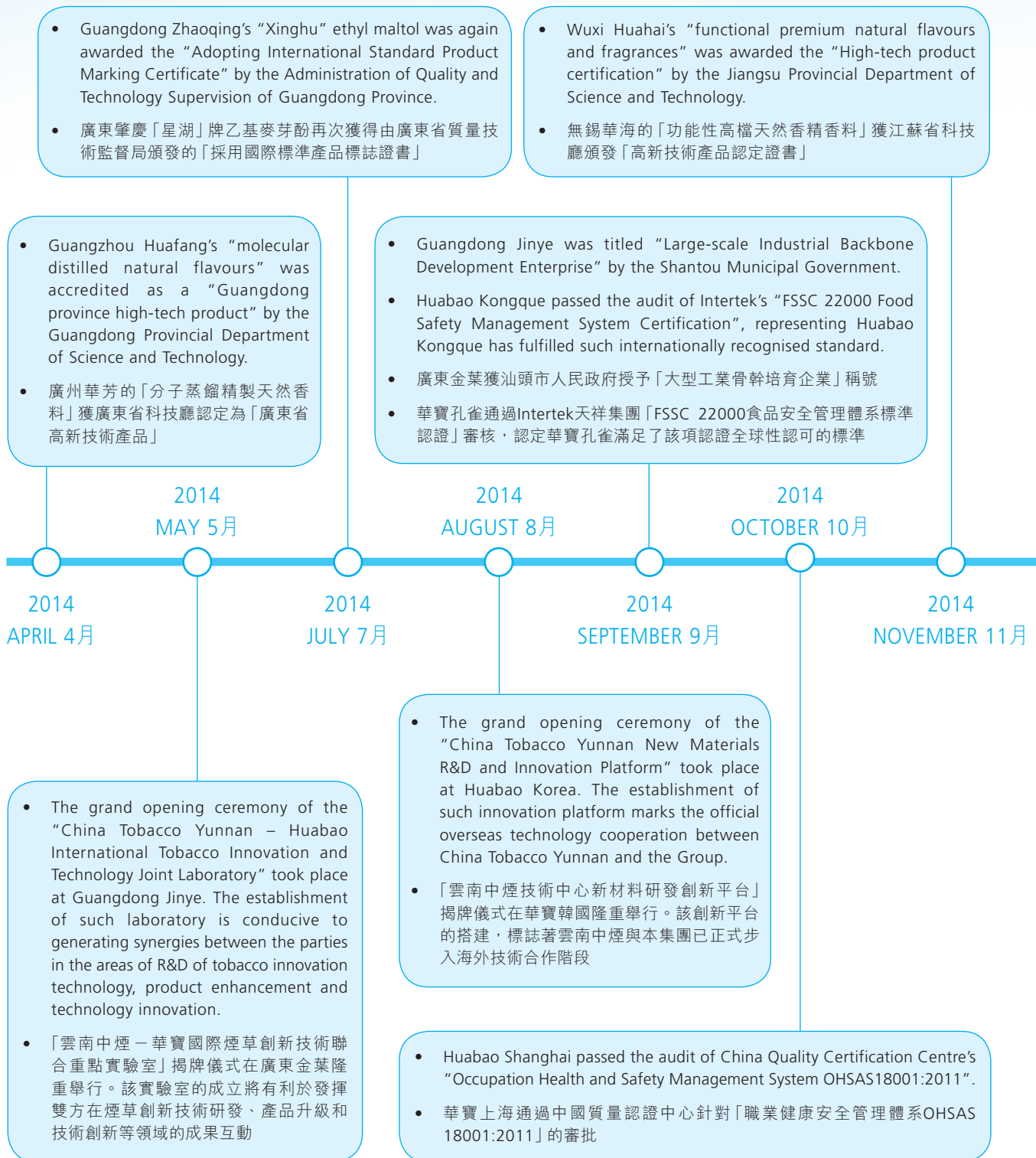
客戶至上、價值創造、共享共贏

Strategy 戰略

- The Group will persist in its “Multi-pronged, Focused Growth” growth strategy for its business portfolio, it endeavours to become a strategic investment holding group in enhancing the ecological environment for the consumer related industry chain in China
- The Group will enhance the flavours and fragrances technology to expand into the food and beverage flavours and fragrances business by leveraging thereon and then replicate such success in other businesses such as additives and food ingredients, forming the future mega flavours and fragrances segment
- The Group will expand its business into tobacco reconstituted raw materials and differentiated auxiliary materials according to the cigarette taste design proposal by capitalising on the differences in the design of cigarette’s taste, forming the future tobacco auxiliary materials segment
- The Group will establish an innovative incubator platform, utilising innovative organisation and incentive mechanism, to focus on incubating new business and new models in relation to “Multi-pronged, Focused Growth” and based on core competencies in establishing an accelerating growth engine in the future
- 堅持以「同心多元化」為業務組合發展戰略，成為提升中國消費相關產業鏈生態系統的战略投資控股集團
- 大力提高香精香料技術，以此為基礎擴展食品香精香料業務，進而開拓添加劑與食品配料等衍生業務，形成未來的大香精香料板塊
- 以煙的味道設計為差異化的切入點，將業務擴展到基於整煙味道設計方案的煙草重組原料和差異化原輔料，形成未來的煙用原輔料板塊
- 建立創新孵化平台，以創新組織與激勵機制，重點孵化基於核心能力的同心多元化新業務、新模式，成為未來加速增長的引擎

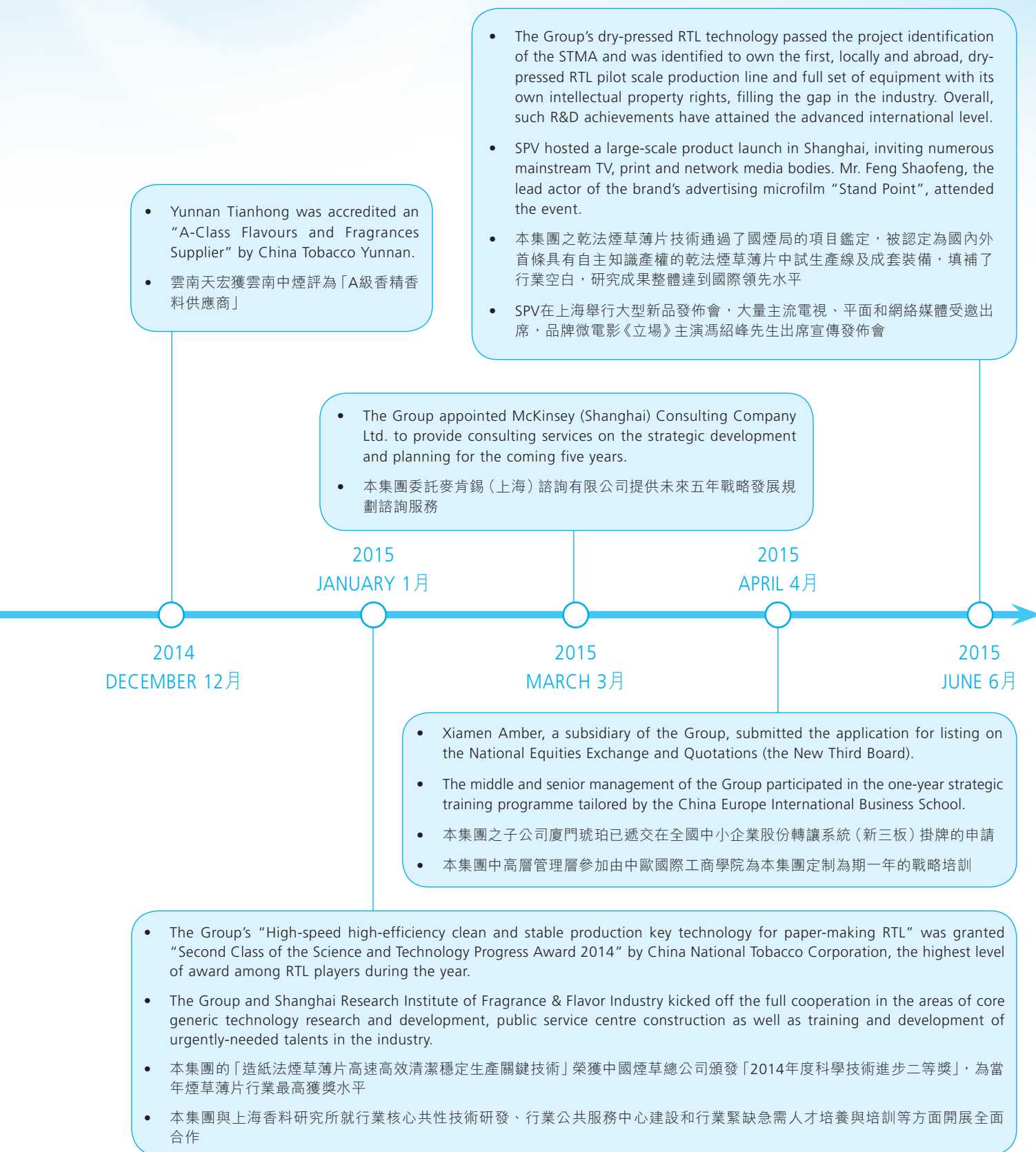
Key Events for the Year

全年大事記



Company Profile, Corporate Culture and Key Events for the Year

集團簡介、企業文化及全年大事記



Chairwoman's Statement

主席報告



In today's world, traditional values of man are being subverted with the rapid development of technology. Various sectors and industries are subject to a fast and ever-changing environment. Since its establishment in 1996, Huabao has also undergone development over two decades of change. Over the past 20 years, we have achieved success in the flavours and fragrances segment; however, we are truly aware that we must not be complacent and stop here. Huabao needs to go farther to become a distinguished and well-respected social enterprise.

The year of 2015 is the starting year of Huabao's comprehensive strategic upgrade. In the next two decades, Huabao will have to experience its second venture. In this "Internet+" era, the best way is to be proactive, lead the change and upgrade thinking to re-examine and rationalise the value chain of the enterprise and the entire business metrics from the internet's perspective. We endeavour to achieve re-engineering and upgrade through continuous innovation utilising the industry leading manufacturing model and commercial model.

Moving forward, Huabao expects to develop itself into a strategic investment holding group of "Multi-pronged, Focused Growth" with emphasis on investment returns and in adherence to the principle of "catering for the needs of consumers in pursuit of high quality living". The Group targets at serving the local consumer related industry in China and makes use of internationally advanced flavours and fragrances and related technologies. Leverage on a multi-dimensional platform covering unique materials, open R&D, innovative channels and business incubators, the Group becomes the "leader to a better life" in enhancing the ecological environment for the consumer related industry in various areas.

當今的世界，科技的飛速發展，顛覆著人們的傳統觀念，讓各行各業都處在日新月異的變革時代。而華寶於一九九六年創業至今，亦是在不斷的變化中經歷了二十年的發展。在過去的二十年裏，我們在香精香料細分領域取得了成功；但我們深知不能滿足於此、止步於此，華寶要走得更遠，要成為卓越且受人尊敬的社會企業。

我們即將面對的二零一五年是華寶戰略全面升級的起步之年，在接下來的二十年，華寶要經歷自身的二次創業。在「互聯網+」時代，最好的方式就是主動出擊、以變領變、思維升級，以互聯網思維對企業的價值鏈和整個商業生態進行重新的審視和梳理，以不斷創新，引領行業的製造模式和商業模式的再造升級。

展望未來，華寶希望將自身轉型成為「同心多元化」戰略投資控股集團，以投資回報為宗旨，以「追求高品質生活的消費者之需求」為核心，以中國本土消費產業相關行業為服務對象，以國際領先香精香料及衍生技術為根基，通過獨特原料庫、開放式研發、創新渠道、新業務孵化等多維度的平台機制，成為在多個領域引領提升消費相關產業生態系統的「美好生活引領者」。

Huabao will continue in adhering to its core development strategy of “Multi-pronged, Focused Growth” beginning with “core flavour and fragrance technology”. By nurturing new businesses with innovation incubators and expanding into new businesses along the industry chain (both upstream and downstream), the Group will gradually strengthen and develop its multi-layered core competencies, namely, “maintaining close partnership with the PRC tobacco enterprises”, “mastering control over retail channels” and “developing food additives channels” with a view to achieving diversified business portfolio development.

In the future, Huabao will focus on three main lines of business. Each of which is complementary and synergistic with each other:

- Expand flavours and fragrances business: On the basis of the flavours and fragrances core technology, Huabao will, in the short term, focus on the highly-customised flavours and fragrances, raw materials and auxiliary materials solutions for local smokers and medium to large-sized food customers in China and the channels establishment regarding small to medium-sized food and catering customers. After mastering certain control over the domestic channels, it will engage in “markets for technology” cooperation with medium-sized international enterprises and carry out M&A with small-sized enterprises to gradually expand its business into the areas of semi-finished goods, ingredients, high value-added additives with an aim to bring the PRC food additives industry to a level exceeding its international peers
- Develop differentiated tobacco auxiliary services based on the design of cigarette’s taste: Expand business into differentiated raw materials for tobacco (such as RTL and tobacco stem), auxiliary materials (such as capsules, wired conductors and “three papers and one rod”) beginning with the design of cigarette’s taste and commence comprehensive cooperation with the PRC tobacco enterprises
- Build the innovative incubator segment: Leverage on the core competency of its existing business segments, it makes use of different incubator systems as platform and explores diversified new businesses and new models (such as SPV refresher) to establish an accelerating growth engine in the future

華寶將堅持以「同心多元化」作為根本的業務組合發展策略，以「香精香料核心技術」為多元化的起點，通過創新孵化機制，沿產業鏈上下游拓展新業務，逐步強化並發展「中煙緊密合作伙伴關係」、「銷售渠道掌控能力」、「食品添加劑渠道能力」等多層次核心能力，實現多元化的業務組合發展。

未來，華寶將會形成三大重點業務群，各重點業務群之間相互支持，有機協同發展：

- 繼續拓展香精香料業務：以香精香料核心技術為基礎，聚焦中國本土煙用與大中型食品客戶的高度定制化香精、香原料及配料解決方案，以及中小型食品和餐飲客戶的渠道建設；在對國內渠道具備一定的掌控能力後，通過強化與國際企業的接觸合作及收購合併的方式，將業務逐步拓展至半成品、配料、高附加值添加劑等領域，引領中國食品添加劑行業趕超國際水平
- 發展基於味道設計的差異化煙用原輔料服務：以整煙味道設計為切入點，將業務擴展至差異化煙用原料（如薄片和煙梗等）和輔料（如膠囊、芯線、三紙一棒等），並積極推動與中國煙草的全面合作
- 打造創新孵化板塊：圍繞現有實業板塊的核心能力，以不同的孵化機制為平台，拓展相關多元化的新業務、新模式（如SPV立場提神筒），成為未來加速增長的引擎

Chairwoman's Statement

主席報告

To ensure successful implementation of the strategies, Huabao will carry out the four major measures of capacity building and system optimisation:

- Open R&D system: While strengthening core R&D capabilities, to establish an open R&D system by way of subcontract or cooperate with external parties in regards to other R&D segments (such as fundamental research)
- Marketing channel and technology services: To focus on strengthening the technology services, big customer services and channel management to establish a synergistic informationised platform
- M&A and post investment integration: To enhance, both domestic and abroad, M&A and post-investment integration management capabilities
- Innovative project execution capability: To establish internal and independent business platforms and operation systems that are suitable for innovative business developments

At the same time, Huabao endeavours to build a number of capital platforms based on the development needs of different segments and its subsidiaries and establish an incentive and constraint mechanism in response to the market by adopting a differentiated management model.

After the strategic transformation and upgrade, Huabao is destined to face hardships or even intermittent pain. We must take a “forward-looking” strategic approach and analyse the economics from an international and wider perspective, coupled with professional competencies of utilising more efficient management tools and in adherence to a combatant spirit to get prepared and seek change. Huabao will continue to promote the strategy of “Multi-pronged, Focused Growth” and deliver its success story in a global perspective by leveraging on its sound financials, superior team execution competencies and a new business model of systematic efficiency, with a view to telling the marvellous story of Huabao’s second venture to the global capital markets and investors!

CHU Lam Yiu
Chairwoman

Hong Kong, 23 June 2015

為保障戰略成功落地，我們將實施四大舉措，進行能力建設與機制優化：

- 開放式研發體系：在強化核心技術能力的同時，對其他研發環節（如基礎研究）採取外包或對外合作的方式，建立開放式的研發體系
- 營銷渠道與技術服務：重點加強技術服務、大客戶服務與渠道提升管理，建立產業協同的信息化平台
- 併購與投後整合：加強海內外併購和投後管理整合的能力
- 創新項目執行力：在集團內部建立適合創新業務發展的獨立業務平台和運行機制

同時，根據不同板塊及下屬公司的發展需求，打造多個資本平台，以差異化管控模式，建立與市場相適應的激勵和約束機制。

在經歷戰略轉型和升級的華寶，注定要直面艱辛，甚至陣痛。我們必須具備「以未來看今天」的戰略格局、具備以更廣闊角度觀察經濟運行的國際視野、具備運用更高效管理工具的專業能力、具備居安思危主動求變的拼搏精神。華寶將繼續推進「同心多元化」戰略，在國際市場演繹財富故事，以財務數據彰顯團隊的執行能力，以系統效率詮釋行業的商業新模式，為全球資本市場和投資人講述華寶團隊二次創業的精彩傳奇！

朱林瑤
主席

香港，二零一五年六月二十三日

INDUSTRY REVIEW

Tobacco industry

In 2014, the sales volume of cigarettes in the PRC amounted to 50.99 million cases, representing an increase of 1.05 million cases or approximately 2.1% compared with last year. The sales revenue of the entire industry amounted to approximately RMB1,359.0 billion, representing an increase of RMB111.6 billion or approximately 8.9% compared with last year. The total industrial and commercial profit tax of the cigarette industry for the year also exceeded the threshold of RMB1,000.0 billion and reached RMB1,051.8 billion, representing an increase of RMB95.8 billion or 10.0% compared with last year. This has fully accomplished the annual target of “8-10% of growth rate and RMB1,000 billion of sales revenue” made in early 2014.

Industry growth

Although the sales volume of cigarettes in the PRC continued to record growth, it is worth noting that there is pressure of high inventory in the cigarette industry. In 2014, the monthly inventory of the cigarette industry was higher compared with that of last year. In particular, the inventory level has been on the rise every month since last August. As at the end of 2014, the industrial and commercial inventory in the cigarette industry was 5.42 million cases, representing an increase of 0.62 million cases or 12.9% compared with last year, and was the highest in recent years.

Starting from 2015, although the inventory level is under control to some extent, the condition is not as optimistic in general. At the end of the first quarter of 2015, the industrial and commercial inventory of cigarettes in the PRC was 4.31 million cases, representing a decrease compared with that at the end of 2014, but remained 0.41 million cases higher than the same period of 2014. In view of such unfavourable condition, the STMA has formulated a plan to reduce cigarette production by 2.0 million cases during the first half of 2015.

行業概況

煙草行業

二零一四年，全國捲煙銷量達5,099萬箱，同比增加105萬箱，增速為約2.1%；在銷售收入方面，全行業銷售收入達到約人民幣13,590億元，同比增加人民幣1,116億元，增速為約8.9%。捲煙行業全年工商稅利總額亦跨越了人民幣10,000億元大關，達到人民幣10,518億元，同比增加人民幣958億元，增速達10.0%，圓滿完成了於二零一四年初所提出的「保八爭十超萬億」的年度目標。

行業增速情況

儘管全國捲煙銷量在二零一四年仍然取得了增長，但這其中需要注意的是一直困擾著國內捲煙行業的高庫存壓力。二零一四年捲煙行業每月的庫存量均大於上年同期，尤其是自去年八月份以後，庫存更呈逐月上升趨勢。在二零一四年年末，捲煙行業工商庫存達到542萬箱，同比增加62萬箱，增幅高達12.9%，為近幾年來的最高峰值。

進入二零一五年，儘管庫存水平得到一定的控制，可是整體情況仍然不容樂觀。截至二零一五年第一季度末，全國捲煙工商庫存為431萬箱，較二零一四年年末有所下降，但仍高出二零一四年同期41萬箱。國煙局就此嚴峻的形勢也做出了規劃，計劃在二零一五年上半年減緩生產捲煙200萬箱。

Management Discussion and Analysis

管理層討論及分析

Based on statistical data, the production output and sales volume of the tobacco industry for the first quarter of 2015 both decreased. The production output of cigarettes in the PRC for the first quarter was 13.33 million cases, representing a decrease of 0.67 million cases or 4.8% compared with last year; whereas the sales volume of cigarettes for the first quarter was 14.20 million cases, representing a decrease of 0.52 million cases or 3.5% compared with last year. Such extent of decrease in the production output and sales volume of cigarettes is unprecedented in the industry in the recent decade. In addition, the sales revenue from cigarettes for the first quarter grew by only 3.1% compared with last year, far below the growth in total national retail sales of consumer goods (10.6%). As to industry profit tax, the accumulated profit tax for the first quarter of 2015 amounted to RMB368.25 billion, representing an increase of RMB19.76 billion or only 5.7%, which is lower than the targeted "7-9% of growth rate" for the entire year. Worse still, to cope with STMA's inventory clearing plan for the first half of the year, the production of cigarettes for the second quarter of 2015 needs to be reduced by more than 1.30 million cases.

Status on tobacco leaves inventory

Apart from the tremendous pressure on cigarette inventory, the tobacco leaves inventory was also facing a severe situation. According to the figures released at the National Tobacco Leaves Working Conference held in November 2014, as of then, the tobacco leaves inventory level in the PRC was up to 37.2 months or close to 5.0 million tonnes, which was way beyond the optimal level of inventory for "natural aging" of tobacco leaves (being 24 to 28 months). The reserve of tobacco leaves locked up funds of approximately RMB350.0 billion. Accordingly, the STMA has formulated a three-year adjustment plan with respect to the production of tobacco leaves, pursuant to which it plans to acquire tobacco leaves of 2.35 million tonnes by 2014, 2.25 million tonnes by 2015 and 2.15 million tonnes by 2016 in order to adjust the tobacco leaves inventory to a reasonable level within three years or so.

The high inventory level of tobacco leaves, to a certain extent, has discouraged tobacco enterprises to further use innovative tobacco materials such as RTL to produce low tar cigarette products. At the same time, traditional low tar cigarette brands, due to its own insufficient growth potential, also suppressed the overall growth potential of the low tar cigarette industry. During the first quarter of 2015, the sales volume of low tar cigarettes (8mg or below per stick) in the PRC was 2.01 million cases, representing a decrease of 0.10 million cases or 4.9%, and presented a downward momentum. Among which, the sales volume of low tar cigarettes (6mg or below per stick) was 0.27 million cases. Despite an increase of 0.02 million cases compared with last year, the pace of growth slowed down significantly.

因此從統計資料來看，二零一五年第一季度煙草行業的產量和銷量資料都相應有所下滑，第一季度全國捲煙產量為1,333萬箱，同比減少67萬箱，降幅高達4.8%；在捲煙銷量方面，第一季度銷量為1,420萬箱，同比減少52萬箱，降幅亦達3.5%。捲煙產量和銷量如此程度的雙雙下滑，皆為行業近十年來首見。另外，第一季度捲煙銷售收入同比增幅僅3.1%，遠遠低於社會消費品零售總額的增幅水平（10.6%）。至於行業稅利方面，二零一五年第一季度累計實現稅利人民幣3,682.5億元，同比增加人民幣197.6億元，增幅僅5.7%，低於全年「保七爭八望九」的目標。而更為不容樂觀的是，為配合國煙局上半年去庫存的規劃，二零一五年第二季度還需要放緩生產捲煙130多萬箱。

煙葉庫存情況

除捲煙庫存壓力巨大外，煙葉庫存也面臨著頗為嚴峻的形勢。根據二零一四年十一月全國煙葉工作會議的資料顯示，截至當時，全國煙葉庫存水平已高達37.2個月，接近500萬噸的水平，嚴重超過煙葉「自然醇化」的最佳週期（合理水平為24至28個月），煙葉儲備佔壓資金達到人民幣3,500億元左右。國煙局因此對煙葉生產作出了三年調控規劃，烤煙收購計劃為二零一四年235萬噸、二零一五年225萬噸、二零一六215萬噸，用三年左右的時間將煙葉庫存調整到合理水平。

煙葉庫存高企的狀態，在一定程度上降低了煙草企業進一步使用煙草薄片等相對新型的煙草材料生產低焦油捲煙產品的積極性。同時，傳統的低焦油捲煙品牌受制於自身發展潛力的不足，抑制了低焦油捲煙行業整體的增長潛力。二零一五年第一季度，全國市場8毫克以下低焦油捲煙銷量為201萬箱，同比減少10萬箱，降幅為4.9%，呈現了持續下降的態勢。其中，6毫克以下低焦油捲煙銷量為27萬箱，雖然同比增加2萬箱，但增速明顯放緩。

Conditions faced by the industry in the near future

After a long period of fast growth, the cigarette industry in the PRC has gradually entered a difficult period and faced a tough environment filled with numerous unfavourable internal and external factors. Firstly, as the impacts of the comprehensive smoking control on cigarette consumption in the PRC intensified, coupled with the successive introduction of state and local related smoking control policies and the further increase in supervision by society and public opinion, the smoking control circumstances and conditions have become more complex. These trends and measures will impose restrictions on the cigarette consumption environment, thus restraining the consumption behaviour of cigarettes. Secondly, tobacco consumption from business, gift and group purchase was suppressed and the consumption behaviours of some high-end cigarettes have changed and shifted. Thirdly, the PRC Advertising Law (Draft Amendments) was passed in April 2015 which stipulates further constraints on tobacco advertising. This has further reduced the room for cigarette marketing and communication. Accordingly, brand promotion and guidance are subject to further restrictions. Lastly, as a result of the implementation of the new tobacco tax policy in early May 2015, it is believed that the retail price of cigarettes will be increased, which will have considerable impacts on the routine purchase behaviours of smokers.

According to the statistics, at the end of the first quarter of 2015, 23 (9 more than last year) provinces in China posted a decrease in sales volume compared with last year. In particular, the sales volume in 6 provinces decreased by more than 10%.

行業短期所面臨的情況

在經歷了長期的快速發展後，中國的捲煙行業已逐漸進入了較為困難的階段，諸多不利的內外部因素都使行業面臨著不容樂觀的形勢。首先，國內綜合性控煙因素對捲煙消費影響加深，國家和地方相關控煙政策的陸續出台，社會輿論監督力度進一步加強，使控煙形勢和局面更加嚴峻複雜。這些趨勢和舉措將會限制捲煙消費環境，對捲煙消費行為有所抑制。其次，公務、禮品、團購用煙消費受到抑制，部份高檔捲煙消費行為發生變化和轉移。第三，二零一五年四月通過的廣告法修訂草案中對煙草廣告的進一步約束，也導致捲煙行銷傳播空間將進一步收窄，品牌宣傳和引導將更加受限。最後，由二零一五年五月上旬開始實施的新煙草稅收政策，相信也會造成捲煙零售價格的上調，並對吸煙者日常的購買行為產生一定程度的影響。

從資料來看，二零一五年第一季度全國有23個省區銷量均出現同比下降的情況，數目較去年同期增加9個省區；其中更有6個省區降幅超過10%。

Management Discussion and Analysis

管理層討論及分析

Countermeasures and future prospects

To cope with these adversities, the STMA will strengthen the austerity measures on economic operation in five areas. These include 1) reducing the production progress to effectively clear the inventory backlog; 2) advancing the inventory reserve and stepping up industry allocation to maintain profit tax growth; 3) balancing business sale to reduce commercial's backlog; 4) promoting the cooperation on production among tobacco enterprises; and 5) strengthening the refined management and exercising strict cost control. In addition to adopting various austerity measures in the domestic market, the STMA has also proposed a clear line of thought for overseas market development. Capitalising on the opportunities arising from the strategic planning of "One Belt One Road" implemented by the central government, the Chinese tobacco manufacturers shall adhere to the "going out" growth strategy to catch up with leading tobacco multinationals, cigarette equipment manufacturers and major auxiliary materials producers. It endeavours to enhance the competitiveness of the Chinese tobacco manufacturers in the global perspective through enhancing the level of entity operation to improve infrastructure development, enhancing the level of international capital operation to promoting M&A and restructuring as well as enhancing the level of imported innovation and integrated innovation to increase cigarette making competencies.

At the workshop held in early 2015, the STMA promulgated its targets for the entire year – to continue to increase the tobacco industry's total profit tax, sales revenue, unit average price and profit tax, average revenue of tobacco farmers, average revenue of tobacco plantation per acre, profit of retail customers and sales volume of cigarettes in overseas markets and endeavour to achieve total industry and commercial profit tax of RMB1,125.6 billion for the entire year of 2015, achieving the target of "7-9% of growth rate" compared with last year. It is believed that, under a series of austerity measures of the STMA, the pressure on tobacco leaves inventory and cigarette inventory can be gradually eased. Meanwhile, as a result of the implementation of an internationalisation strategy, the Chinese cigarette manufacturers can pull through the prevailing difficult period and move towards the next phase of development.

(Source: China Tobacco)

應對措施及未來展望

為了應對各方面的不利因素，國煙局將會從五方面加強經濟運行調控，包括1) 減緩生產進度，有效消化庫存；2) 前移商業備貨，加大工業調撥，保穩稅利增幅；3) 均衡商業銷售，降低社會庫存；4) 加大對各煙草企業合作生產的促進力度；5) 加強精益管理，嚴控各環節費用。除在國內市場採取各種調控手段外，國煙局亦對海外的發展提出了明確的思路。中國煙草要以國家實施「一帶一路」戰略規劃為契機，堅持「走出去」的發展戰略，追趕領先的煙草跨國公司、煙機製造公司以及原輔材料生產大集團。從提高實體化運作水平完善基地建設、提高國際資本運作水平推進併購重組、提高引進消化吸收再創新和集成創新水平提升煙機製造能力等方面入手，不斷加強中國煙草的國際競爭力。

在二零一五年年初的工作會議上，國煙局提出了全年的工作目標 – 繼續提高煙草行業的利稅總額、銷售收入、單箱均價和稅利、煙農戶均收入、種煙畝均收入、零售客戶的盈利以及境外市場的捲煙銷量，力爭在二零一五年全年實現工商稅利總額人民幣11,256億元，同比增速達到「保七爭八望九」的目標。相信在國煙局一系列舉措的調控下，煙葉和捲煙庫存的壓力將會得到逐步解決；同時，隨著國際化戰略的不斷實施，中國煙草行業能夠平穩地度過眼前的困難時期，走向下一個發展階段。

(以上資料來源：《中國煙草》)

Food and beverage industry

In 2014, production of the food industry in the PRC maintained steady growth. However, the pace of growth continued to slow down. According to the figures released by the National Statistics Bureau, more than 37,000 food enterprises above designated size grew by approximately 7.8% in 2014 over last year, down by 1.3 percentage points from the year before. Revenue from principal business of food enterprises above designated size amounted to approximately RMB10.9 trillion, representing an increase of approximately 8.0% compared with last year. However, such growth was down by 5.1 percentage points from last year. Total profit of food enterprises was approximately RMB760 billion, representing an increase of merely 1.2%. Such growth decreased drastically by 12.4 percentage points from last year.

In recent years, the global food product industry has undergone substantial changes and details of such changes mainly relate to the following areas:

- Globalisation: the slowdown in overseas food enterprises (CAGR in the next decade is expected to decrease to 3%) have prompted them to seek growth opportunities in developing markets such as China, presenting more global cooperation opportunities to local enterprises in China
- Professionalism: given further upgrade in industry structure, professional food raw materials enterprises with technological know-how in the niche market will differentiate themselves from other competitors
- Localisation and regionalisation: with the increasing level of localisation and regionalisation of food products and flavours, more localised food solutions will be needed
- Personalisation and customisation: as a result of the more personalised demand from downstream consumers, food and raw materials enterprises will need to introduce more customised and innovative solutions
- Healthy, safe and natural products: as consumers attach greater importance to “healthy, safe and natural” products, food and raw materials enterprises will need to introduce relevant solutions

食品飲料行業概況

二零一四年，國內食品工業生產雖然保持了平穩增長，但增速卻繼續回落。根據國家統計局資料顯示，二零一四年37,000多家規模以上食品工業企業增加值同比增長約7.8%，增速比上年回落1.3個百分點；全國規模以上食品工業企業實現主營業務收入約人民幣10.9萬億元，同比增長約8.0%，但增幅比上年低5.1個百分點；而食品工業實現利潤總額約人民幣7,600億元，同比增長僅約1.2%，增幅比上年更大幅回落12.4個百分點。

近年來的全球食品產品正在發生著一系列的重大變革，其中主要體現在以下的幾個方面：

- 全球化：海外食品企業增速放緩（預計未來十年年均複合增長率會下滑至3%），迫切尋求以中國為代表的發展中市場的增長契機，給予中國本土企業更多全球合作機會
- 專業化：產業結構進一步升級，在細分市場領域具有技術專長的專業化食品原料企業將會脫穎而出
- 本土化、區域化：食品品類、味道本土化、區域化程度進一步提升，需要更多本土化食品解決方案
- 個性化、定制化：下游消費者提出更多個性化需求，對食品及原料企業提出更多定制創新解決方案要求
- 健康、安全、天然化：消費者更加青睞「健康、安全、天然」產品，需求食品及原料企業提供相應方案

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- Channel re-development and online popularity: in the mobile and digital era, online channel will become increasingly popular (market share of online channel was approximately 3% in 2014 and the CAGR may reach 11% in the decade ahead), exerting pressure on traditional channels and pressure them to increase efficiency
- 渠道重構，線上崛起：移動互聯時代來臨，線上渠道將逐漸崛起（二零一四年線上渠道份額約為3%，未來十年預計可達到11%的年均複合增長率），對傳統渠道造成壓力，迫使其提升效率

In the food flavours and fragrances industry, despite the advantages enjoyed by foreign-invested enterprises, market concentration in China is not significant with abundant business opportunities for local flavours and fragrances enterprises. Firstly, there are numerous medium to large downstream food enterprises featuring a high level of localisation. Even the existing international flavours and fragrances giants are unable to dominate the market. Secondly, large downstream customers often maintain business relationship with a number of medium to large flavours and fragrances suppliers in order to minimise risks. Thirdly, many small flavours and fragrances enterprises will be gradually phased out or merged with large scale flavours and fragrances enterprises.

For niche market analysis, it is expected that savoury flavours, sports drink flavours and juice flavours will become the niche flavours and fragrances products with the greatest potential for some time in the future. At the same time, local flavours brands have considerable comparative advantages in these niche markets with further potential for continuous expansion in the future.

RTL and new cigarette materials industry

It is understood that currently there are a total of 14 production bases of RTL approved by the STMA in China with a total annual production capacity of 165,000 tonnes. With the implementation, completion of construction and commencement of production of RTL projects, the Chinese cigarette manufacturers have successively applied RTL in the cigarette formula and increase its proportion. As a result, the production output and usage of RTL in China increase each year. However, it is also faced with intensifying industry competition. The wide application of RTL has also resulted in the fundamental change in the concept of usage among its customers, who are increasingly demanding on customised and functional RTL products. RTL has developed gradually from a simple tobacco leave filling in the past into today's important and integral part of Chinese cigarettes. It is understood that, currently, almost all cigarette brands in the PRC use RTL although varying in product specifications and proportions. However, its usage remains far below international levels.

在食品香精香料行業，外資企業雖有優勢，但中國市場集中程度尚有較大提升空間，本土香精企業仍有大量的機會。首先，下游大中型食品企業數目眾多，且本土化程度較高，以目前國際香精巨頭的能力也難以完全覆蓋。其次，下游大型客戶往往會保持多家大中型香精供應商，以便降低風險。第三，眾多小型香精企業會逐步退出或融入大型香精企業。

從細分市場來看，鹹味香精、運動型飲料香精、果汁飲料香精預計在未來的一段期間內會是食品香精最具有潛力的細分產品。同時本土香精品牌在這幾個細分領域亦有相當的優勢，且預計未來還有繼續擴大的潛力。

煙草薄片及捲煙新材料行業

據瞭解，目前全國經國煙局批准的煙草薄片生產點共有14個，總產能達約16.5萬噸／年。隨著煙草薄片建設專案的不斷實施和竣工投產，國內捲煙企業陸續將煙草薄片應用於捲煙配方並且不斷增加其比例，國內煙草薄片的產量和使用量逐年提升，但同時行業競爭亦日趨激烈。煙草薄片的廣泛使用，使得客戶對其使用觀念亦發生了根本的轉變，對定制化、具有功能性的煙草薄片的要求越來越高。煙草薄片從以往被視為簡單的煙葉填充料，漸漸發展至成為今天中式捲煙中不可或缺的重要原料組成部份。據瞭解，目前幾乎國內所有捲煙品牌均有使用煙草薄片，使用的產品規格和程度不一，但使用量仍遠低於國際捲煙的水平。

Over the past year, RTL production lines in Yunnan, Jiangsu and Anhui that have previously obtained approvals from the STMA have completed construction and commenced production. Currently, among all approved production capacities, only one production line in Guizhou has not yet completed construction (for which the Group is a joint venture partner). These production bases that are newly put into operation have brought great impacts to the market. Moreover, the increase in proportion of RTL as a substitute for natural tobacco leaves in cigarettes will have a direct impact on the usage amount of natural tobacco leaves. Given the current high backlog of natural tobacco leaves, tobacco enterprises are likely to be discouraged to add RTL in cigarette production. In recent years, all RTL enterprises have stepped up their efforts in technological advancement to enhance their technology and quality, reduce costs, increase safety and solve environmental problems. Over the past year, with the speedy release of production capacity, the shortage in supply is greatly relieved. It is expected that more intensifying competition and pricing pressure will follow.

From another perspective, given the unique cost advantage and low tar content of RTL products, the usage amount of RTL by mainstream cigarette brands worldwide has exceeded 20% in general. In some developed countries or regions, such addition percentage may even reach 30-35%. Based on the estimates on the current total production output in the RTL industry in China, the adoption rate by cigarettes in China is only around 5-8%, which is significantly below the international benchmark and has tremendous potential for increase. In addition, the product structure of the cigarette industry in China is undergoing rapid enhancement with increasing proportions of medium to high-end products. In 2014, the sales volume of Class I cigarettes was approximately 10.25 million cases, representing an increase of approximately 16.8% compared with last year; whereas the sales volume of Class II cigarettes was approximately 5.29 million cases, representing an increase of approximately 19.0% compared with last year; and the average unit sales revenue in the cigarette industry amounted to RMB26,700 per case, representing an increase of approximately 6.7% compared with last year. The improvement in product structure of the cigarette industry will lead to higher requirements on new product launches, and ultimately lead to a higher demand for the usage of new cigarette materials.

As to the innovative inflated stems, as increasingly more tobacco enterprises are interested in such technique and gradually increase their investment and research resources, and the STMA has included inflated tobacco stem technique as a key technological project, it is expected that such technique may be widely applied after product commercialisation. With respect to filters and related products, currently the products are mainly filters that are personalised, functional and designed for slim cigarettes. It is believed that, with the enhancement in the specifications of cigarette products among tobacco enterprises, demand for unique filter products is expected to increase.

(Source: China Tobacco)

過去一年，雲南、江蘇及安徽等地已取得國煙局許可的煙草薄片生產線陸續竣工並實現生產，目前在全部獲批的產能中僅剩下貴州一條生產線尚未竣工（本集團為該生產線的合資方），這些新投入運營的產能對市場帶來了很大的衝擊。另一方面，煙草薄片作為天然煙葉的替代品，其在捲煙中添加比例的提高會直接對天然煙葉的使用量造成影響，在目前天然煙葉庫存居高不下的情況下，煙草企業在捲煙中添加煙草薄片的積極性受到較大的衝擊。近年來各個煙草薄片企業都在推動技術進步工作，從而提升技術和品質、降低成本、提高安全性和解決環保問題等。過去一年，行業產能快速釋放，供求關係得到大幅緩解，預料下一步將出現更加嚴峻的競爭和價格壓力。

但從另一方面來看，鑒於煙草薄片產品在成本和焦油含量上的獨特優勢，國際主流的捲煙品牌對於煙草薄片的使用量基本都超過20%的添加水平，在某些發達國家或地區該添加比例甚至可以達到30-35%。而以中國煙草薄片行業的目前的總產量大致測算，國內捲煙的添加比例僅在5-8%左右，距離國際通常的水平還有很大的差距，提升空間巨大。另外，中國捲煙行業的產品結構仍在快速提升中，中高端產品的比重不斷提高。二零一四年，一類捲煙銷售約1,025萬箱，同比增長約16.8%；二類捲煙銷售約529萬箱，同比增長約19.0%；捲煙行業平均單箱銷售收入已達人民幣2.67萬元／箱，同比增幅為約6.7%。捲煙行業產品檔次的升級，將會對產品的更新提出更高的要求，這也會加大對捲煙新材料的使用需求。

新型膨脹煙梗方面，各煙草企業對該技術的興趣日益增加，投入和研究也逐步加大，而國煙局亦把膨脹煙梗技術列入了科技重點專案，預料未來將有可能在具備商業化生產能力後被廣泛使用。濾嘴及相關產品方面，目前產品主要以個性化、功能化以及適用於細支煙的濾嘴為主。相信隨著煙草企業捲煙產品規格的不斷提升，對特色濾嘴產品將會有更大的需求。

(以上資料來源：《中國煙草》)

Management Discussion and Analysis

管理層討論及分析

Innovative tobacco products (e-cigarette)

Innovative tobacco products include e-cigarettes and low-temperature cigarettes. Below are some characteristics of the industry at current stage: it started off relatively late, low base in terms of sales volume, faster growth, numerous manufacturers, low concentration and immature regulatory environment. Currently, major tobacco companies worldwide have increased their R&D efforts to introduce innovative products and vigorously explore potential markets.

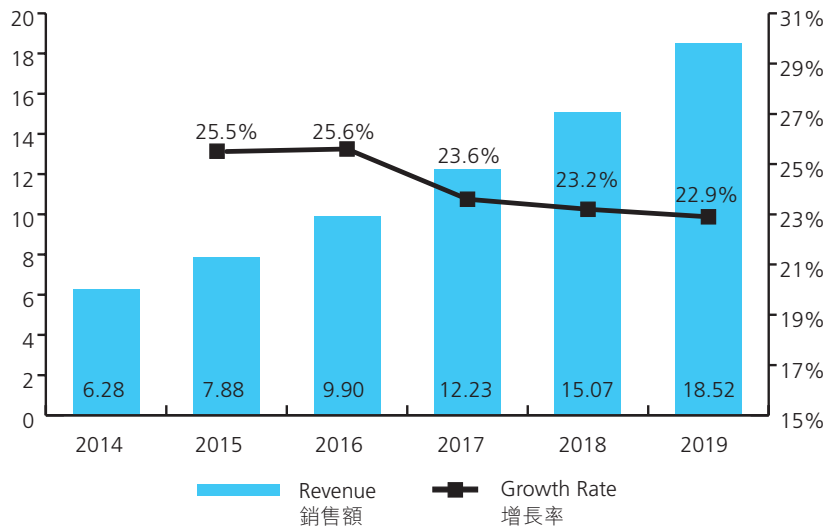
According to the statistics, the global e-cigarette market was valued at USD6.28 billion in 2014. It is expected that by 2019, the global e-cigarette market size may be increased to USD18.52 billion with a CAGR of up to 31.0%. Geographically speaking, in 2014, North America accounted for approximately 33.3% of the overall market; western Europe accounted for approximately 27.9%; eastern and central Europe accounted for approximately 26.6%; and Asia Pacific accounted for approximately 8.1%. It is expected that, by 2019, North America and Asia Pacific's market share will increase up to approximately 46.5% and 14.0% respectively.

新型煙草製品（電子霧化煙）

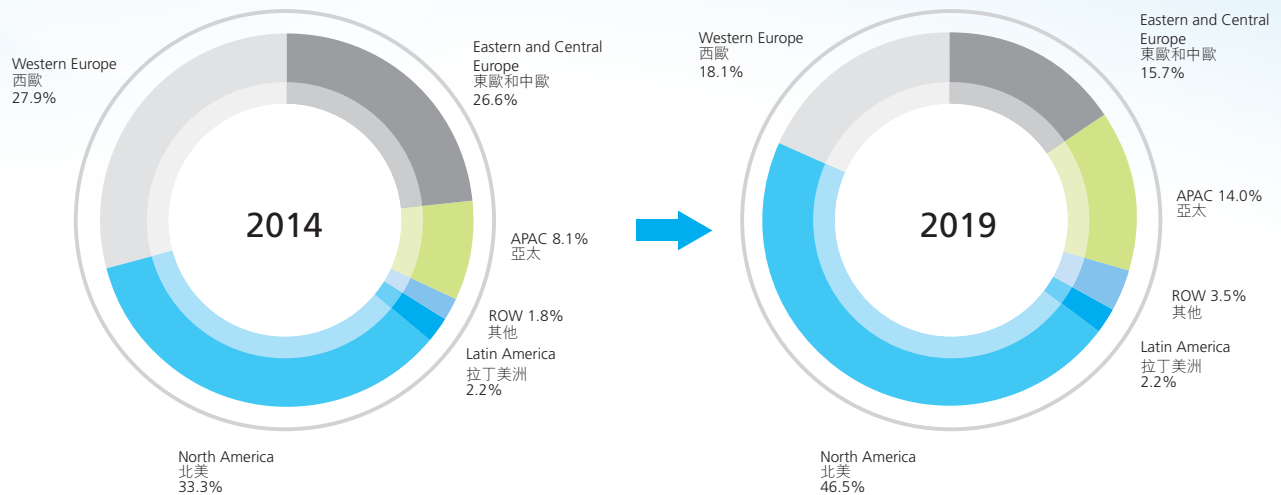
新型煙草製品包括了電子煙、低溫捲煙等類型的產品，行業現階段呈現以下的一些特徵：起步較晚、銷量基數不大、增長較快、廠商數量多、集中度不高、監管不完善。目前，世界各大煙草公司都在加大產品研發力度，不斷推陳出新，大力開發潛在市場。

據統計，二零一四年全球電子煙市場已達到62.8億美元，預計至二零一九年，全球電子煙市場規模可增至185.2億美元，年均複合增長率可達31.0%。從區域來看，截止二零一四年，北美地區佔總體市場規模的約33.3%，西歐地區佔約27.9%，東歐和中歐地區佔約26.6%，亞太地區佔約8.1%。預計至二零一九年，北美和亞太地區的佔比將會有所提高，其中北美佔全球市場規模的約46.5%，亞太佔約14.0%。

Global E-cigarette Market 2014-2019 (USD billion)
全球電子煙市場2014-2019（十億美元）



Global E-cigarette Market by Geographical Segmentation 2014-2019 全球電子煙市場按地區分佈2014-2019



With respect to the domestic market, as far as the management is aware, there is currently no other large-scale promotion of brands and products apart from the Group's SPV brand. However, some references indicate that domestic consumers are showing greater interests over the industry. For example, in 2014, the number of searches for the e-cigarette category on taobao.com and tmall.com was 73.28 million times, representing an increase of approximately 82% compared with last year; number of visitors was 55.37 million, representing an increase of approximately 74% compared with last year; number of bookmarked visitors was 4.65 million, representing an increase of approximately 236% compared with last year.

At present, the Pearl River Delta region in China remains the primary e-cigarette production base. However, with increasing awareness of the public on the quality and safety issues of e-cigarette products, especially the implementation of more stringent regulations by the United States of America on e-cigarettes in the future, there are higher requirements on product quality and safety. Accordingly, some e-cigarette manufacturers begin to relocate their production bases to the United States of America to ensure that their products meet the conditions for market launch. Given the level of automation and higher management standards, it is expected that the cost of production will be reduced.

As the major component of e-cigarette products is tobacco oil, the flourishing market has also attracted various players to invest in the production of e-cigarette tobacco oil, including tobacco leaves multinationals and flavours and fragrances companies. However, there are increasingly more concerns over the ingredients, functions and safety of e-cigarette tobacco oil. It is expected that relevant regulations on the production of e-cigarette tobacco oil may be promulgated by the United States Food and Drug Administration in the future, such as labelling the ingredients of e-cigarette tobacco oil and stipulating the production within the United States of America, which may have considerable impacts on the manufacturers and pose key challenges to the e-cigarette tobacco oil manufacturers in the future.

就中國國內市場來說，據管理層所知，目前除本集團的SPV品牌外，尚無公開進行大規模宣傳的品牌和產品。但一些側面的參考資料，可以體現出國內消費者亦在持續提高相關行業的關注度。例如，二零一四年，淘寶商城和天貓商城電子煙類目的搜索點擊次數達到7,328萬次，相比二零一三年增長約82%；訪客數達到5,537萬人次，同比增長約74%；收藏人數達到465萬，同比增長約236%。

目前中國的珠三角地區還是主要的電子煙生產基地，但隨著公眾對電子煙產品品質和安全問題的日益關注，尤其是未來美國就電子煙監管的加強，對產品品質和安全提出了更高的要求，因此也導致部份電子煙廠商將生產地點開始向美國境內轉移，以保證產品符合上市條件。由於自動化程度、管理水平較高等因素，預計成本將有所降低。

由於電子煙產品的主要組成部份是煙油，該市場的繁榮亦吸引了各類企業投入電子煙煙油的生產，這其中包括了跨國煙葉公司、香精香料公司等。但是，目前對電子煙煙油的成分、功能、安全性等方面的擔憂日益顯現，預計未來美國食品及藥物管理局有可能會對電子煙煙油的生產做出相關規定，例如標註電子煙煙油成分、須在美國境內進行生產等，這可能會對生產商造成一定影響，也是未來電子煙煙油生產商面臨的重要考驗。

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As to product trends, consumers are increasingly interested in larger e-cigarette products. Usually these products are larger in size so as to increase energy output, thus allowing consumers to have a more personalised vapour experience. As the large e-cigarette products are more popular among the primary consumers, its competition with disposable e-cigarettes is very keen. However, for beginner consumers, as the large e-cigarette is more expensive with greater vapour production, the disposable e-cigarette products that come smaller in size, less vapour production and cheaper in price may be more attractive to such consumers. According to the forecasts made by the research institute, there are currently 5,000-6,000 e-cigarette stores within the United States of America and such number is growing in first tier and second tier cities. Among these e-cigarette stores, many of them do not have those nationally reputable disposable e-cigarette products for sale, but the regional brand large e-cigarette products that are highly personalised.

On the other hand, the shift in the industry trends has resulted in the launch of a variety of e-cigarette flavours to the market, including peppermint, cola, chocolate, cool mint, melon, bubble gum, grape and assorted fruits. E-cigarette manufacturers also endeavour to roll out more flavours to attract more consumers. Based on preliminary statistics, there are more than 3,000 flavours for existing e-cigarette products in the market at a growth rate of more than 300 new flavours each month. This has proved that e-cigarette products are highly attractive to consumers and can cater for the highly personalised needs of consumers at the same time. It is expected that such trend will continue in the coming five years and the size of e-cigarette industry will continue to grow.

(Source: Tech Navio “2015-2019 Global E-cigarette Market”)

從產品的趨勢來看，消費者對於大型電子霧化器的興趣日益增加。通常這類產品具有較大的體積，使得它們可以擁有更大的能量輸出，進而能夠為消費者提供更為個性化的霧化感受。由於主力消費者開始更為青睞大型電子霧化器產品，使得其與一次性電子煙的競爭變得十分激烈。不過對於入門消費者來說，由於大型電子霧化器價格較為昂貴且具有較強的霧化能力，因此對於部份消費者來說體積和功效較小、價格更為便宜的一次性電子煙產品或許更為適合。根據研究機構的預測來看，目前美國境內已存在5,000-6,000家的電子煙商店，並且這個數字在一級和二級城市中還在增長。而在這些電子煙商店中，很多並不銷售那些具有全國知名度的品牌的一次性電子煙產品，而是銷售個性化程度很高的區域性品牌的大型電子霧化器產品。

另外一方面的行業變化趨勢體現在越來越多種的電子煙口味被推向市場，這其中包括薄荷、可樂、巧克力、清涼、西瓜、口香糖、葡萄、混合果味等各種味道。而電子煙廠商還在努力向市場推出更多的口味，以達到能夠吸引更多消費者的目的。據初步統計，市場上存在的電子煙口味應該超過3,000種，並且以每月超過300種新口味的增速增長。這說明了電子煙產品對消費者來說具有相當的吸引力，同時也滿足了消費者非常個性化的需求。預計在未來的五年時間，這樣的趨勢還將會持續，並使電子煙行業的規模得以不斷增大。

(以上資料來源：TechNavio《2015－2019全球電子霧化煙市場》)

BUSINESS REVIEW AND FUTURE DEVELOPMENT STRATEGIES

Review of Flavours Business

For the year ended 31 March 2015, sales revenue of the flavours business of the Group amounted to HKD3,209,099,000, representing an increase of approximately 4.8% from the last financial year. The EBIT margin of the flavours segment was approximately 59.1%, representing a decrease of approximately 5.6 percentage points as compared with approximately 64.7% for the last financial year. The EBITDA margin was approximately 61.8%, representing a decrease of approximately 5.6 percentage points as compared with approximately 67.4% for the last financial year. Sales revenue of flavours maintained a sound growth rate, which was mainly attributable to the accelerated growth of food and beverage flavours. The decrease in profit margins was mainly attributable to the larger share of food and beverage flavours accounted for, which is relatively lower in profit margins, and the increase in sales and administration expenses.

業務回顧及未來發展規劃

食用香精香料業務回顧

截至二零一五年三月三十一日止年度，本集團食用香精香料的銷售收入達到了港幣3,209,099,000元，較去年同期增長了約4.8%。食用香精香料板塊的EBIT率達約59.1%，較上一財政年度的約64.7%降低了5.6個百分點；EBITDA率達約61.8%，較上一財政年度的約67.4%降低了約5.6個百分點。食用香精香料的銷售收入維持了良好的增長速度，主要是由於食品飲料香精香料的增速加快所致。利潤率的下降主要是由於利潤率相對較低的食物飲料香精香料佔比加大，以及銷售和行政費用的增加所致。

During the financial year, the tobacco flavours business of the Group made a number of achievements. In April 2014, Guangzhou Huafang's "molecular distilled natural flavours" was accredited as a "Guangdong province high-tech product" by the Guangdong Provincial Department of Science and Technology. In August 2014, Yunnan Tianhong was granted the title of "2014 Yunnan Top 100 Domestic Enterprises" jointly by the Yunnan Provincial Enterprise Federation and Yunnan Provincial Entrepreneur Association. In October 2014, Huabao Shanghai passed the audit of China Quality Certification Centre's "Occupation Health and Safety Management System OHSAS 18001:2011". It was the first time Huabao Shanghai applied for such certification and passed smoothly. In November 2014, Wuxi Huahai's "functional premium natural flavours and fragrances" was awarded the "High-tech product certification" by the Jiangsu Provincial Department of Science and Technology. In December 2014, Yunnan Tianhong was accredited an "A-Class Flavours and Fragrances Supplier" by China Tobacco Yunnan.

本財政年度內，本集團煙用香精香料業務取得了各項成績。二零一四年四月，廣州華芳的「分子蒸餾精製天然香料」獲廣東省科技廳認定為「廣東省高新技術產品」。二零一四年八月，雲南天宏獲由雲南省企業聯合會、雲南省企業家協會聯合頒發「2014雲南民營企業100強」獎牌。二零一四年十月，華寶上海通過中國質量認證中心針對「職業健康安全管理体系OHSAS 18001:2011」的審批並得到認證，是華寶上海首次申請並順利通過該項認證。二零一四年十一月，無錫華海的產品「功能性高檔天然香精香料」獲江蘇省科技廳頒發「高新技術產品認定證書」。二零一四年十二月，雲南天宏獲雲南中煙評為「A級香精香料供應商」。



"Guangdong Province high-tech product" certificate
「廣東省高新技術產品」證書



"2014 Yunnan Top 100 Domestic Enterprise" award
「2014雲南民營企業100強」獎牌

Management Discussion and Analysis

管理層討論及分析

In respect of the tobacco industry, the following trends are emerging:

- In terms of the composition of smokers in China, the aging of loyal smokers will put downward pressure on the total market size. Meanwhile, smokers' awareness on health and tar reduction requirements are increasing (annual average growth of the number of smokers decreased slightly from 1.1% from 2008-2010 to 0.5% from 2012-2014);
- In terms of customer demand from tobacco enterprises, various brands will have higher requirements on further enhancing the quality of taste. In addition, the tobacco industry in China has also set a clearer direction on the "going out" international development;
- In terms of product competition, given the industry strategic guidance of "big enterprise, big market, big brand", brand concentration continues to increase alongside with increasing market share of high-end cigarettes. Despite the limited market size of the innovative tobacco products, its considerable growth is worth noting.

As to the Group, tobacco related business is a high-yield and stable business and the main source of profit. Accordingly, with respect to the abovementioned possible industry trends in the future, the Group will focus on the demand from key customers and transform itself from a product supplier to a multi-solution provider with emphasis on technological upgrade and innovative product development by taking a service strategy with four layers of differentiation:

- Flavours and fragrances raw materials supply: Focus on the development and production of high value-added and unique flavours and fragrances raw materials to structure an unique flavours and fragrances raw materials system for the Group;
- Flavours and fragrances solutions: Continue to provide services to all customers of the PRC tobacco customers by leveraging on its high-quality and differentiated flavours and fragrances products and technological know-how;
- Unique auxiliary materials based on the design of Cigarette Overall Taste: Develop differentiated and unique auxiliary materials solutions beginning with unique RTLs and tobacco stems based on the integrated design capability of Cigarette Overall Taste with flavours advantages;

就煙草行業來說，未來可能會出現如下的幾個趨勢：

- 從中國煙民結構來看，高忠誠度煙民群的老齡化意味著市場規模面臨著下滑的壓力，同時，煙民健康意識及降焦要求在不斷提高（煙民人數年均增長速度從二零零八至一零年的1.1%，微量下降至二零一二至一四年的0.5%）；
- 從煙草企業客戶需求角度看，各品牌產品對進一步提升口味品質保障的要求在持續提高。另外，中國煙草行業也更明確地提出了「走出去」的國際化發展方向；
- 從產品競爭格局角度看，在「大企業、大市場、大品牌」的行業戰略方針指導下，品牌集中度不斷提升，同時高檔煙的市場份額持續擴大。新型產品目前市場規模有限，但增速可觀，值得關注。

而對於本集團而言，煙草相關業務是一個具有高收益的穩定業務，是盈利的主要來源。因此，針對以上的一些行業未來的趨勢，本集團將會聚焦重點客戶的需求，從產品供應商向多層次服務提供者轉型，注重技術升級與新產品發展，並採取四個層次的差異化服務戰略：

- 香原料供應服務：重點開展高附加值特色香原料的開發和生產，構建具有本集團特色的香原料體系；
- 香精香料解決方案服務：繼續以高品質香精差異化產品與專業技術知識服務所有中國煙草客戶；
- 基於整煙味道設計服務的特色原輔料：建立基於香精優勢的整煙味道集成設計能力，以特色薄片、煙梗為起點，開發差異化特色原輔料解決方案；

- Comprehensive partnership: Enter into close cooperation with the PRC tobacco enterprises to capture the growth opportunities in the internationalisation of the tobacco industry in China and to further strengthen the comprehensive partnership with key customers.

- 全方位合作服務：與中國煙草建立更深層次合作，把握中國煙草國際化的發展機遇，進一步加強與重點客戶全方位合作夥伴關係。

To ensure the successful implementation of the above strategic objectives, the Group will focus on enhancing its four major capabilities:

為保障上述戰略目標的成功實施，本集團將會重點提高四大能力：

- Key flavours and fragrances raw materials extraction/synthesis, mass production and stable procurement capability;
- Flavours and fragrances solutions development and technology service capability, including: 1) fundamental development of flavouring technique; 2) application technology and workmanship; 3) technology service capability;
- Building a technology service team mastering the design of Cigarette Overall Taste;
- Forward looking insights on demand from comprehensive service oriented customers, especially building an effective communication and cooperation mechanism between the sales and technology service team and the R&D and production base.

- 關鍵香原料的萃取／合成、量化生產和穩定採購能力；
- 香精香料解決方案開發與技術服務能力，包括：1) 調香技術等基礎開發；2) 應用技術與工藝能力；3) 技術服務能力；
- 建立能夠掌握整煙味道設計的技術服務團隊；
- 全面服務型的客戶需求洞察能力，尤其是需要建立銷售與技術服務團隊與研發生產後台之間有效的溝通協作機制。



“Occupational Health and Safety Management System OHSAS 18001:2011” certificate
「職業健康安全管理体系OHSAS 18001:2011」證書



“A-Class Flavours and Fragrances Supplier” certificate
「A級香精香料供應商」證書

Management Discussion and Analysis

管理層討論及分析

In terms of food and beverage business, faced with such complex operating environment, the Group further optimised its customer mix by adhering to the growth strategy of “Big Customers, Big Brands” and performed satisfactorily in business. During the financial year, Huabao Kongque successfully secured large customers including Mondelēz and Pepsi. With respect to the promotion of natural flavours and fragrances products, the samples developed for Wahaha by the Group were well received by the customers and thus facilitating the negotiation on subsequent cooperation. Guangzhou Huabao's confectionary snacks and meat products business fulfilled the business target as expected and the sales from customers including Jinluo and Panpan grew significantly. Guangdong Zhaoqing's small canned ethyl maltol products continued to dominate the market. During the financial year, by adopting the new technique of UV laser mark, the label is embedded in the body of the can, which can effectively eliminate the counterfeit products available in the market. In terms of export business, Qingdao Qingda's major export product is red pepper extracts, which are exported to the European countries, particularly Germany, as the major export markets in order to secure quality customers who are fairly well-known in the industry and have higher demand for products. Guangdong Zhaoqing's export sales to the Southeast Asia market recorded a double digit growth compared with last year. Looking forward, it will endeavour to expand into the markets in Europe, the United States of America, the Middle East, Africa and South America by actively working with the International Business Department of the Group.

During the financial year, the food and beverage business of the Group made a number of achievements. In September 2014, Huabao Kongque was awarded the “2014 China Flavours, Fragrances and Cosmetics Products Exhibition – Excellence Award”. In October 2014, it was named the “National Iced Beverage Raw Materials Quality Supplier” by the Frozen Food Professional Committee of the China Association of Bakery & Confectionary Industry. In November 2014, it was granted “The Third Annual National Nuts and Roasted Seeds Science and Technology Progress Awards – Second Class Award” by the Nuts and Roasted Seeds Professional Committee of China National Food Industry Association. In April 2014, Guangdong Zhaoqing was granted “Guangdong Province Famous Trademark Certificate” by the Evaluation Committee of Guangdong Famous Trademark. In September 2014, it was granted the “Certificate for Level II Measurement Assurance System of Guangdong Enterprises” by the Administration of Quality and Technology Supervision of Zhaoqing.

在食品飲料業務方面，面對複雜的經營環境，本集團依託「大客戶，大品牌」的發展策略，進一步優化客戶群體，在業務上取得了一定的成績。本財政年度內，華寶孔雀成功拓展了億滋、百事等大型客戶；在天然香精產品的推廣上，為娃哈哈開發的樣品得到了客戶的肯定，並促進了後續合作的洽談；廣州華寶的休閒膨化及肉製品業務達到了預期的業務目標，對金鐘、盼盼等客戶的銷售得到了較明顯的提升；廣東肇慶的乙基麥芽酚小罐包裝產品在市場上繼續佔主導地位，於本財政年度內又採用了UV紫光鐳射打標新技術，在罐身上打上嵌式標籤，有效地杜絕市面上的冒牌假貨；在出口業務方面，青島青大以辣椒紅提取物為主要出口產品，並以德國為首的歐洲國家為主要市場，務求鎖定在行業內較知名，對產品需求量較高的企業為優先客戶；廣東肇慶出口東南亞市場的銷售同比增長達雙位數，未來將積極配合本集團的國際業務部，努力開拓歐美、中東、非洲及南美等市場。

本財政年度內，食品及飲料業務各下屬企業取得了各種成績。二零一四年九月，華寶孔雀獲中國香料香精化妝品工業協會頒發「2014中國香料香精化妝品產業精品巡禮展『精品獎』」；二零一四年十月，獲中國焙烤食品糖製品工業協會冷凍食品專業委員會頒發「全國冷凍飲品原輔料優秀供應商」；二零一四年十一月，獲中國食品工業協會堅果炒貨專業委員會頒發「第三屆全國堅果炒貨科學技術進步獎二等獎」等獎項。廣東肇慶於二零一四年四月獲廣東省著名商標評審委員會頒發「廣東省著名商標證書」；二零一四年九月，獲肇慶市品質技術監督局頒發「廣東省企業二級計量保證體系合格證」證書。

In addition, the Group attaches great importance to the issue of food safety by adhering to strict quality control. In July 2014, Guangdong Zhaoqing's "Xinghu" ethyl maltol was confirmed by the Administration of Quality and Technology Supervision of Guangdong Province after inspection to be in line with international product recognition and trademark standards and was again awarded the "Adopting International Standard Product Marking Certificate", representing the product quality of "Xinghu" ethyl maltol has fulfilled such internationally recognised standard. In September 2014, Huabao Kongque passed the audit of Intertek's "FSSC 22000 Food Safety Management System Certification", representing Huabao Kongque has fulfilled such internationally recognised standard. It is also evidence of its establishment of a comprehensive management system and full compliance with the requirements of customers and the industry regulations regarding food safety.

另外，本集團對於食品安全問題一直十分關注，始終堅持嚴格的品控管理。二零一四年七月，廣東肇慶「星湖」牌乙基麥芽酚產品經廣東省質量技術監督局審查確認，符合採用國際標準產品認可和標誌條件，再次獲頒「採用國際標準產品標誌證書」，標誌著「星湖」牌乙基麥芽酚的產品品質達到國際水準。二零一四年九月，華寶孔雀通過Intertek天祥集團「FSSC 22000食品安全管理體系標準認證」審核，認定華寶孔雀滿足了該項認證全球性認可的標準，證明其已建立全面的管理體系，並充分滿足客戶及行業法規在食品安全方面的要求。



"2014 China Flavours, Fragrances and Cosmetic Product Exhibition - Excellence Award" certificate

「2014中國香料香精化妝品產業精品巡禮展『精品獎』」證書



"Guangdong Province Famous Trademark Certificate"

「廣東省著名商標證書」證書

In terms of the food and beverage flavours industry, its downstream customers are consumer goods manufacturers such as food and beverage with tremendous market potentials and rigid demand in general. At the same time, with the increasing purchasing power of the Mainlanders, the market demand for high-quality and personalised products are increasingly high. This has resulted in higher requirements on the food and beverage flavours industry, presenting good growth opportunities to the industry players.

從食品飲料香精香料行業來看，其下游客戶乃食品、飲料等消費品企業，整體市場空間廣闊、需求剛性。同時，由於國內消費水平的不斷提高，市場對於高品質、個性化產品的需求越來越高，這也對食品飲料香精香料行業提出了更高的要求，業內企業面臨著良好的發展機會。

Management Discussion and Analysis

管理層討論及分析

In terms of the food and beverage flavours market, despite the comparative advantages enjoyed by foreign-invested enterprises, market concentration is low, which provides tremendous opportunities for local flavours enterprises. Currently, there are numerous medium to large enterprises in the downstream food and beverage market with a higher level of localisation. Even the existing international flavours giants are unable to dominate the market. In addition, large flavours enterprises usually focus on tens of large customers. Numerous medium to large flavours enterprises are faced with tremendous opportunities with dispersed small to medium customers in the downstream market. At the same time, due to the shorter product life cycle, higher requirements on quality, rising price of raw materials and high R&D investments, these trends will erode the expansion ability of the smaller flavours enterprises, accelerating the pace of industry integration where many small enterprises will be gradually phased out or merged with larger enterprises. By capitalising on its own technological strengths in the flavours and fragrances industry, coupled with local enterprises' flexible and speedy response in the area of customer service, the Group will quickly expand its scale and influence in the domestic market.

In terms of specific product mix, there are more attractive and low entry barrier niche markets under the food and beverage flavours segment, including sports drink flavours, savoury flavours, juice flavours and baking flavours and dairy beverage flavours. These are the areas that the Group may expand into as its next key products and markets. In these niche markets, local enterprises in the downstream market far outnumber the foreign-invested enterprises. It is expected that the number of local suppliers will continue to grow in the future. Obviously, to the local enterprises, it is more feasible for them to enter these niche markets.

Based on the foregoing market analysis, the Group's food and beverage flavours business will focus on the local food and beverage sector and the highly attractive niche markets (such as seasonings, beverage and baked food). With respect to local medium to large-sized food and beverage enterprises, the Group will provide customised solutions through differentiated channel development:

- Strengthen customer direct sales channel to provide highly customised additive raw materials solutions including high-quality flavours to local large-sized food and beverage enterprises;
- Provide integrated application formula semi-finished product technology solutions covering flavours, additives and ingredients to local medium-sized food and beverage enterprise through enhancing the capability and efficiency of distributors and upgrading the Group's own technology service capability;
- Capitalise on the extensive distribution network and online channels to provide unique products to other dispersed caterers and small-sized enterprises.

從中國食品飲料香精香料市場來看，雖然外資企業具有優勢，但市場集中程度尚有很大的提升空間，本土香精香料企業仍有豐富機會。目前食品飲料下游市場存在數目眾多的大中型企業，且本土化程度較高，即使國際香精巨頭現階段亦無法有能力對其完全覆蓋。另外，大型的香精香料企業通常會重點發展數十家大客戶，而眾多中小型香精香料企業在分散的下游中小客戶中有著大量的機會。同時，隨著產品生命週期變短、品質要求進一步提高、原料價格上漲以及研發投入加大，這些趨勢會導致規模較小的香精香料企業無力擴張，行業將經歷加速整合，眾多小型企業會逐步退出或融入大企業。本集團將利用自身在香精香料行業的技術優勢，結合本土企業在服務客戶方面靈活快速的反應能力，迅速擴大在國內市場的規模和影響力。

從具體的產品類型來說，食品飲料香精香料擁有多種高吸引力、低門檻的細分市場可供進入，包括運動型飲料香精、鹹味香精、果汁飲料香精、烘焙香精以及乳品飲料香精，這些都可以作為本集團下一步產品和市場的拓展重點。在這些細分產品中，下游市場的本土企業皆遠遠多於外資企業，並且預計未來本土供應商的數目亦會成增長的態勢，表明對於本土企業來說，打入這些細分市場具有較高的可行性。

綜合以上的市場分析，本集團的食品飲料香精香料業務將重點聚焦本土食品飲料產業和具有高吸引力的細分市場（如調味料、飲料、烘焙等）。針對本土大中型食品飲料企業，本集團將通過差異化渠道建設，為其提供定制化的解決方案：

- 做強大客戶直銷渠道，為大型本土食品飲料企業提供高度定制化的高品質食用香精等添加劑原料方案；
- 通過提升經銷商的能力與效率，以及升級本集團自身技術服務能力，為中型本土食品飲料企業提供香精、添加劑和配料綜合應用配方的半成品技術解決方案；
- 利用廣泛的經銷商網路和線上渠道，對其他分散的餐飲零售店和小型企業提供特色標準單品。

The Group will utilise M&A as an inception point to build its superior channel capability, system R&D platform, raw materials procurement and technician recruitment capability to ensure the implementation of the strategies of the food and beverage flavours business.

本集團將以併購作為切入，打造卓越的渠道能力、系統研發平台、原料保障能力、技術人才保障能力，以確保食品飲料香精香料業務戰略的實施落地。



“Adopting International Standard Product Marking Certificate”
「採用國際標準產品標誌證書」



“FSSC 22000 Food Safety Management System Certificate”
「FSSC 22000食品安全管理體系標準認證」證書

Review of RTL Business

For the year ended 31 March 2015, the sales revenue of the RTL business of the Group reached HKD945,574,000, representing a decrease of approximately 11.6% from the last financial year. Operating profit of the segment was approximately HKD417,891,000, representing a decrease of approximately 1.1% as compared with the last financial year. EBIT margin reached approximately 44.2%, representing a further increase of 4.7 percentage points as compared with approximately 39.5% of the last financial year. The decrease in sales revenue of the RTL segment was mainly due to the fierce industry competition as a result of numerous new entrants over the past year and the decrease in usage of RTL due to the backlog of tobacco leaves among tobacco enterprises. However, since the quality of the Group's RTL products remains industry leading, coupled with effective cost control, the profitability continued to maintain at a relatively high level. Looking into the future, with the easing of the tension between industry supply and demand, and the tremendous pressure on the development of RTL business due to the backlog of tobacco leaves and cigarettes, the management remained cautious on this business segment. In the long-term, there remains growth potential in the RTL industry. It is believed that, upon digestion of the backlog of tobacco leaves by the domestic tobacco enterprises and the subsequent launches of higher-end and specification cigarettes, the RTL industry will see continuous growth.

煙草薄片業務回顧

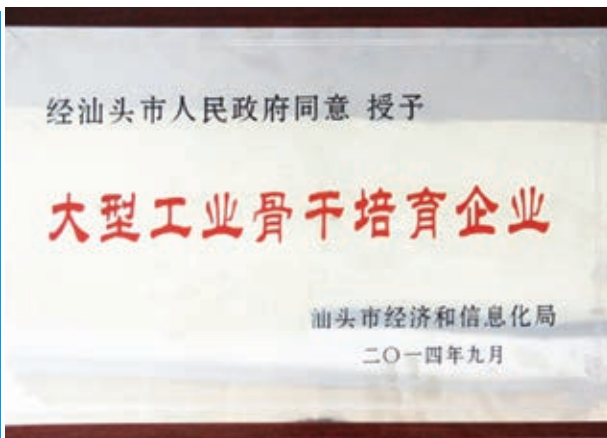
截至二零一五年三月三十一日止年度，本集團煙草薄片銷售收入達到了港幣945,574,000元，較上一個財政年度減少了約11.6%。板塊營運盈利達約港幣417,891,000元，較上一個財政年度減少了約1.1%；EBIT率達約44.2%，較上一個財政年度的約39.5%進一步提升了4.7個百分點。煙草薄片板塊的銷售收入的減少，主要是由於過去一年大批新的產能加入市場導致行業競爭激烈，及煙草企業由於煙葉庫存高企而導致使用煙草薄片的動力下降等原因。但由於本集團煙草薄片產品的品質依然處於行業領先地位，另外在成本控制方面亦取得了良好的效果，盈利能力得以繼續維持在較高水平。未來一段時間，行業供求關係的緩解以及大量的煙葉、捲煙庫存仍將對煙草薄片業務的發展造成很大的壓力，管理層對於該業務板塊持審慎的態度。但從長遠來看，煙草薄片行業具備繼續增長的空間，相信在國內煙草企業完成煙葉庫存的消化工作後，以及隨著更高檔次規格捲煙的不斷推出，煙草薄片行業還會迎來繼續的發展。

Management Discussion and Analysis

管理層討論及分析

In September 2014, Guangdong Jinye was awarded the title of “Large-scale Industrial Backbone Development Enterprise” by the Shantou Municipal Government. Guangdong Jinye as the No.001 “Key Support and Protected Enterprise” in Chaoyang District was the only selected enterprise in Chaoyang District. The award not only demonstrated Guangdong Jinye’s corporate spirit of solid work and “To Be No.1”, it also reflected the local government’s recognition of Guangdong Jinye’s production and operation. In December 2014, Guangdong Jinye successfully passed a total of 65 requirements under five major categories including general operation qualifications, production and operational management, innovative technology competence and quality control system on tobacco raw materials stipulated by China Tobacco Guangdong Industrial Co., Ltd. and was granted the “Tobacco Materials Supplier Certification”, laying a solid foundation for further cooperation in the future. In January 2015, the “High-speed high-efficiency clean and stable production key technology of paper-making RTL” was granted “Second Class of the Science and Technology Progress Award 2014” by China National Tobacco Corporation, the highest level of award among RTL players during the year. During the financial year, Guangdong Jinye participated in a number of researches on RTL technology and engaged in the works of product quality, such as the “R&D of the special pulp workmanship for paper-making RTL production”, “Regulation on paper-making RTL workmanship”, “Research on the approval and safety assessment of the materials used in RTL production”, etc.

二零一四年九月，廣東金葉獲汕頭市人民政府授予「大型工業骨幹培育企業」稱號，廣東金葉作為潮陽區001號「重點扶持保護企業」成為潮陽區唯一一家入選企業。獲此榮譽不僅充分體現了廣東金葉真抓實幹、爭創第一的企業精神，同時也體現了地方政府對廣東金葉生產經營工作的認可；二零一四年十二月，廣東金葉順利通過廣東中煙工業有限責任公司對煙用原料在基本經營資質、生產經營管理、創新技術能力及品質管制體系等五大類共六十五項的要求，獲頒「煙用材料供應商資質認證」，為未來更深層次的合作奠定了堅實的基礎；二零一五年一月，「造紙法再造煙葉高速高效清潔穩定生產關鍵技術」獲中國煙草總公司頒發「2014年度科學技術進步二等獎」，為當年煙草薄片行業最高獲獎水平。本財政年度內，廣東金葉參與了多項有關煙草薄片技術性的研究以及制定產品品質的工作，例如「造紙法再造煙葉專用制漿工藝技術研究與開發」、「造紙法再造煙葉工藝規範」及「再造煙葉使用物質許可及安全性評估的研究」等。



“Large-scale Industrial Backbone Development Enterprise” award

「大型工業骨幹培育企業」獎牌



“Second Class of the Science and Technology Progress Award 2014”

「2014年度科學技術進步二等獎」獎牌

Review of New Materials Business

For the year ended 31 March 2015, the Group's sales revenue from new materials was HKD86,769,000, while sales revenue was HKD21,003,000 for the last financial year. Operating profit from the segment was HKD15,311,000, while for last financial year was operating loss of approximately HKD14,360,000. The EBIT margin of the new materials segment for the financial year was approximately 17.6%.

In recent years, in response to the STMA's overall planning of "Optimisation of Cigarettes" to promote tar reduction and quality stability of cigarettes, the Group began the development of the new materials segment some years ago and set up technological platforms for cigarette smoke transmission, innovative tobacco stem treatment and specialised RTL in an effort to provide customers with all-round and diversified solutions. During the financial year, the related products derived from the cigarette smoke transmission technological platform performed well and met the initial target set by the management. Currently, the new materials segment is mainly engaged in the sales of flavoured capsules and related products, which are mainly applied in the middle to high-end cigarette products of a few major customers. Next, the Group will continue to increase its efforts in the R&D of innovative capsule technology with an aim to enhance its product competitiveness.

During the reporting period, the Group's dry-pressed RTL technology passed the project identification of the STMA and was recognised as the first, both locally and abroad, dry-pressed RTL pilot scale production line and a full set of equipment with its own intellectual property rights, filling the gap in the industry. Overall, such R&D achievements have attained the advanced international level. The Group also made some breakthroughs in the innovative tobacco stem treatment technological platform and its related products. Currently, the R&D team is developing a microwave and steam treatment technique which allows efficient expansion of tobacco stems and effective microwave chemical reaction to reduce the content of semi cellulose and speed up the reduction of polysaccharides into fragrance components. This can increase the ductility of tobacco stem and further strengthen the industrial applicability of expanded tobacco stems. Innovative tobacco stems are divided into different shapes including sheets, cuts or granules by multidimensional cutting technology according to customers' uses and requirements. The cuts are mainly made into formula cuts after blending with tobacco leaves for application in tobacco rods. The granules are mainly made into combined filters after combining with acetate fibres for application in tobacco filters. The major features of the products are reduced tobacco stem miscellaneous gas, enhanced cigarette flavour and fragrance as well as reduced tar content.

新材料業務回顧

截至二零一五年三月三十一日止年度，本集團新材料銷售收入達到了港幣86,769,000元，而上一個財政年度的有關銷售收入為港幣21,003,000元。板塊營運盈利達約港幣15,311,000元，而上一個財政年度則為營運虧損約港幣14,360,000元；本財政年度內新材料板塊的EBIT率達約17.6%。

近年來，為回應國煙局提出「捲煙上水平」總體規劃，推行捲煙減害降焦、穩定品質等要求，本集團於若干年前已開始籌備新材料板塊的部署，並於去年成立了捲煙煙氣傳質、新型梗粒處理、特種煙草薄片等技術平台，力求為客戶提供全方位、多樣化的解決方案。本財政年度內，捲煙煙氣傳質技術平台的相關產品率先取得了可喜的成績，完成了管理層初步的目標。目前新材料板塊的業務主要來自於口味型膠囊及相關產品，主要應用於幾個主要客戶的中高檔捲煙產品當中。下一步本集團將繼續加大對創新性膠囊技術的深化研究，提高產品的競爭能力。

於報告期內，本集團之乾法煙草薄片技術通過了國煙局的項目鑒定，被認定為國內外首條具有自主知識產權的乾法煙草薄片中試生產線及成套裝備，填補了行業空白，研究成果整體達到國際領先水平。本集團在新型梗粒處理技術平台及其相關產品上亦取得了一定的突破。研發團隊目前正在深化一項由微波和蒸汽協同處理的技術，在煙梗實現高效膨脹的同時，發生有效的微波化學反應，降低半纖維素含量，促進還原糖聚合產生香味成分，從而提高煙梗的柔韌性，進一步增強膨脹煙梗的工業可用性。根據客戶的用途和要求，新型煙梗將經過立體分切技術形成片狀、絲狀或顆粒狀等不同形態的產品。絲狀產品主要和煙葉絲摻配後組成配方煙絲，在煙條中使用；顆粒狀產品主要和醋纖複合後形成複合濾棒，在濾嘴中使用。產品具備脫除煙梗雜氣、促進捲煙增香補香、和降焦減害的主要功能。

Management Discussion and Analysis

管理層討論及分析

Review of Fragrances Business

For the year ended 31 March 2015, the sales revenue of the fragrances business of the Group amounted to HKD85,044,000, representing an increase of approximately 0.4% from the last financial year. Operating profit of the segment amounted to approximately HKD10,654,000, representing a significant increase of approximately 37.3% from the last financial year. EBIT margin reached approximately 12.5%, representing an increase of approximately 3.3 percentage points as compared with 9.2% for the last financial year.

The year 2014 was a year of structural adjustment for the fragrances industry in China. As foreign-invested fragrances giants saw a slowdown of varying degrees, its own structure and future growth strategies underwent some changes. The emerging Chinese local brands have driven the development of local enterprises. The industry is taking on a new look under the rule of survival of the fittest. Xiamen Amber has set its market foothold in the washing business a few years ago and performed remarkably in the past few years. During the financial year, the washing business, particularly the detergent products, again performed nicely and for the first time replaced the sanitising business and accounted for the largest portion of sales.

In April 2015, the Group proposed to list the shares of Xiamen Amber on the National Equities Exchange and Quotations (the "NEEQ") and filed the application with the relevant departments (pending for approval). Immediately following the proposed quotation, the Group will continue to hold 51% equity interests in Xiamen Amber, which will continue to be an indirect non-wholly owned subsidiary of the Group where the business of which will continue to be separately operated by Xiamen Amber and the financial results which will continue to be consolidated into the financial statements of the Group.

The NEEQ is commonly known as the New Third Board, and is a unified national system that typically provides a trading platform for off market transfer of non-listed public shares by subscribing members of the NEEQ. It was established on 20 September 2012. The Group is of the view that, the proposed quotation will enable the Group to capitalise the value of its existing investment in Xiamen Amber; provide separate fund-raising platforms for Xiamen Amber with respect to its operation and future expansion; provide a mechanism to attract and motivate the management of Xiamen Amber in line with the operating and financial performance of Xiamen Amber on a standalone basis; and provide more transparency in the future business performance by Xiamen Amber.

日用香精香料業務回顧

截至二零一五年三月三十一日止年度，本集團日用香精香料的銷售收入達到了港幣85,044,000元，較上一個財政年度增加了約0.4%。板塊營運盈利約為港幣10,654,000元，較上一個財政年度大幅增加了約37.3%；EBIT率約為12.5%，比上一個財政年度的9.2%提高了3.3個百分點。

二零一四年是中國日化行業結構調整的一年。隨著外資日化巨頭業務出現不同程度下滑，其自身結構及未來發展策略面臨變化，中國國貨品牌的崛起帶動了本土企業的活躍，適者生存，行業迎來另一番氣象。廈門琥珀自數年前已著手洗滌類市場的佈局，並在過去幾年取得很好的成績。本財政年度內，以洗衣液為首的洗滌類業務再次取得不錯的增長，並首次取代消毒類產品成為銷售佔比最大的業務。

二零一五年四月，本集團建議將廈門琥珀的股份於全國中小企業股份轉讓系統掛牌，並已向有關部門遞交申請（等待批准）。緊接建議掛牌之後，本集團將繼續持有廈門琥珀51%股權，廈門琥珀將繼續為本集團間接擁有之非全資附屬公司，其業務將繼續由廈門琥珀單獨經營，其財務業績仍將繼續合併於本集團之財務報表內。

全國中小企業股份轉讓系統俗稱新三板，於二零一二年九月二十日成立，為全國性統一系統，主要為納入該系統之成員提供場外轉讓非上市公眾股份之交易平台。本集團認為，建議掛牌將有助本集團於廈門琥珀之現有投資價值得以資本化，為廈門琥珀之營運及日後擴展提供獨立集資平台，並提供機制以吸引並激勵廈門琥珀的管理層獨立負責其營運及財務表現。同時，未來廈門琥珀之業務表現將更具透明度。

Next, Xiamen Amber will improve and enhance a number of areas including internal structure, sales system and management model. Such adjustment process is expected to take two years during which it will step up its efforts to expand customer base, identify target major customers in each region and rationalise small customer base. As to products, Xiamen Amber will continue to focus on the high volume usage washing products including detergent, shower gel and soap. Looking ahead, it will further expand into aroma, incense and fragrance business that applies natural raw materials. As to R&D, it will target at the areas of fragrance raw materials, extraction and synthesis as well as increase the investment in equipment and manpower.

Latest Development of E-cigarette

The Group's non-nicotine e-cigarette brand, SPV, was a sponsor of the STORM Electronic Music Festival, one of the largest electronic music festivals in China, held in Shanghai in October 2014. In addition, a SPV flagship store was established on tmall.com and introduced the first generation disposable product V-series with four different flavours including fruit mint and roasted coffee. After months of continuous hard work, the Group was well-prepared in all other aspects and had a full-scale launch of SPV's second generation products in June 2015.

Product development

As to SPV brand products, in addition to the first generation disposable series launched on pilot scale, the second generation products also had its full launch in June 2015 with significant upgrade in the areas of design, functions, flavours, usage experience, workmanship and quality. The "luminous charger series" has now been rolled out. It is expected that other series, namely the "car series", "gift series", "offline sales series", "duty free special series" and "celebrity customised series", will be launched successively. It is believed that the diversification of product lines may seize the potential target consumers more accurately in order to provide them with an unparalleled experience.

In addition, SPV will also be involved in the e-cigarette tobacco oil products. Currently, a small portion of the products are sold overseas. The Group plans to establish or acquire overseas tobacco oil production base for e-cigarette production in the future and is in active negotiation with tobacco or e-cigarette manufacturers locally and abroad to build a stable and long-term working relationship and become a fairly recognised and influential e-cigarette tobacco oil supplier which will participate in or guide the formulation of global and domestic industry standards.

下一步，廈門琥珀將就內部結構、銷售制度、管理方式等方面進行改善和提升。預計利用兩年的時間進行調整，加大開拓大客戶的力度，在每個區域明確目標大客戶進行發展，同時對小客戶進行整合。產品方面，廈門琥珀繼續以用量較大的洗滌類產品，包括洗衣液、沐浴露、香皂等作為切入點，未來會進一步涉足以天然用料為原料的芳香、熏香、日常用香等產品。研發方面將以香原料、提純、合成等領域為重點方向，加大設備及人員的投入。

電子霧化煙的最新發展

二零一四年十月，本集團以不含尼古丁的電子煙品牌SPV(中文名稱：立場)贊助了於上海舉辦的中國最具規模的電子音樂節之一——STORM風暴電音節，並在天貓商城開設了SPV線上旗艦店，推出了包括水果薄荷味、炭燒咖啡味等四款不同口味的第一代V系列即拋產品。隨後經過若干月的持續工作，本集團在各方面已準備就緒，於二零一五年六月向市場全面推出了SPV第二代產品。

產品開發

在SPV品牌產品方面，除之前摸索性推出的第一代即拋系列外，第二代產品也於二零一五年六月全面上線，在設計、功能、口味、使用感受、做工、質量等方面都進行了大幅度的升級。目前已推出夜光充電寶系列，計劃未來還將陸續推出車載系列、禮品系列、線下銷售系列、免稅店專項系列、名人定制系列等諸多系列的產品，相信更為豐富的產品線可以更加精準地定位各潛在目標消費群體，給予消費者優秀的體驗。

另一方面，SPV亦會涉足電子煙煙油產品，目前已開始了小部份的海外銷售。本集團有計劃未來在海外建立或收購電子煙煙油生產基地，積極與國內和國際的煙草或電子煙廠商展開接觸，力求建立穩定、長期的合作關係，成為具有一定知名度和影響力的電子煙煙油供應商，參與甚至主導國際和國內行業標準的制定。

Management Discussion and Analysis

管理層討論及分析

Teambuilding

Since e-cigarette is a consumer good, individual consumers are in turn its direct users. Accordingly, brand building and marketing are crucial to the success of a product. This greatly differs from the Group's B2B business model in the past. The Group is fully aware of the difference between them and has therefore built a special team for SPV products. Apart from technicians and R&D talents, the team comprises industry elites from consumer goods, electronics, advertising and marketing. As the business expands rapidly in the future, the size of the team will further expand.

Brand building/marketing

The new product launch of SPV brand was held in Shanghai in June 2015, marking the milestone of SPV brand's official and formal entrance to the market. Mr. Feng Shaofeng who starred the microfilm "Stand Point" was invited to attend the event where famous Chinese talk show host Mr. Huang Xi was the emcee of the night and more than 100 guests from the fashion industry, media and the investment community attended the event.

The microfilm "Stand Point" has five episodes where the first episode will be aired online at the end of June 2015. The rest of the four episodes will be aired at the end of each month from July to October on mainstream video sites including youku.com, tudou.com, sohu.com and qq.com.

SPV brand is also the title sponsor of a news related TV programme which has perpetually named "SPV News". The programme, which is expected to be released soon, will be covering over the topics of people, hot topics and related matters.

At the same time, given the significant promotion effects of sponsoring the STORM Electronic Music Festival in 2014, SPV expects to sponsor the 2015 STORM Electronic Music Festival and increase the sponsorship package such as title sponsorship, customised press conference for SPV brand, production of customised music track by popular artists, increased exposure of SPV brand products and interstitial advertisements.

In addition, SPV brand will also capitalise on online and offline influential mainstream platforms in China to conduct social media promotion in various means throughout the year, inviting celebrities to participate in interactive discussions and events. Meanwhile, SPV brand will also actively participate in various sales promotion and marketing activities such as Singles Day and Chinese New Year holidays. Through the above and future marketing efforts, it is expected that SPV brand and its products will become the focus of consumers' concerns persistently.

團隊建設

由於電子煙產品屬於消費類型產品，個人消費者為其直接使用對象，品牌的建設和市場的推廣乃產品會否取得成功的關鍵要素之一，這與本集團以往的B2B商業模式有很大差別。本集團深悉兩者間的差別，因此全新打造了SPV產品的相關團隊，其中除技術、研發人才外，還包括消費品、電子、廣告媒體、市場策劃等各相關行業的優秀人才，未來隨著業務的快速開展，團隊的規模亦將得到進一步擴大。

品牌建設／市場推廣

SPV品牌於二零一五年六月在上海進行了隆重的新品上市發佈會，作為SPV品牌正式、全面向市場進軍的標誌。發佈會邀請了品牌微電影《立場》主演馮紹峰先生出席參加，著名華人脫口秀主持人黃西先生擔任主持，更有時尚界、傳媒界、投資界超過百人參與活動。

品牌微電影《立場》由五集組成，第一集將於二零一五年六月底進行網絡公映，其餘四集將於七至十月的每月下旬陸續播出，播出平台包括優酷、土豆、搜狐、騰訊等各大主流視頻網站。

SPV立場品牌亦已贊助一部新聞系列劇節目，永久將其冠名為「立場新聞劇」。該檔節目內容將會涵蓋公眾所關心的熱點人物、事件、話題等，預期將於近期開播。

同時，鑑於二零一四年贊助STORM風暴電音節所取得的顯著宣傳效果，SPV預計將會繼續贊助二零一五年STORM風暴電音節，並升級贊助規格，例如採取取得活動的冠名權、為SPV品牌舉辦特別定制的發佈會、邀請具有號召力的藝人製作專門的單曲、品牌產品更為高調的顯露及深層次的植入等手段。

此外，SPV品牌還將借助國內線上、線下具有影響力的主流平台以各種方式進行貫穿全年的社會化媒體推廣，並邀請名人參與互動話題和活動。同時，SPV品牌也會積極參與如雙十一、春節等各種促銷、推廣活動。希望通過以上及未來更多方式的大力推廣，SPV品牌和產品可以成為消費者關注的持續性焦點話題。

With respect to the overseas market, SPV was a lead sponsor of “Vapexpo 2015 Moscow” recently held in Moscow in June 2015. During the exhibition, in addition to major manufacturers of e-cigarettes, tobacco oil and parts and components, special guests from various sectors including tobacco industry leaders, international health experts, administrative and legislative officials, standardised and product quality critics and marketing professionals were also invited to exchange views on the e-cigarette industry in the areas of laws and regulations, future development, standardisation and quality rating and development of distribution model.

Sales channel development

SPV brand's flagship store was established on tmall.com in October 2014, reflecting its satisfactory performance. Recently, SPV plans to open flagship stores on all mainstream online platforms in China to achieve extensive online coverage.

As to offline physical channel development, SPV brand initially plans to market its products in places of entertainment where the consumer age group is more energetic and easier to explore trendy products, including bars and night clubs. At the same time, the Group endeavours to seek cooperation with chained convenience stores to extend its coverage horizontally and vertically. Moreover, the Group also plans to set up SPV brand's franchise stores as part of offline channel development.

With respect to the overseas offline channels, SPV and a distributor in the United States of America have entered into cooperation to commence preliminary sales of the second generation products in Virginia of the United States. Meanwhile, SPV also engaged in negotiation with distributors in Spain, Russia, Croatia, Sweden and Korea with a view to kicking off sales of products in these markets as soon as possible.

With efforts deployed to various areas above including products, brand building, marketing and channel development, the Group strives to become a leading e-cigarette brand and tobacco oil supplier locally and abroad in a few years' time, and such business to become a growth driver for the Group's future development.

在海外方面，SPV大力贊助了剛於二零一五年六月在莫斯科舉辦的「Vapexpo 2015 Moscow」。該展會期間除主要的電子煙產品、煙油、零部件廠商將會參加外，亦邀請了煙草行業的領導者、國際健康專家學者、行政立法要員、標準化和產品質量評級專家、市場和營銷專家等各相關領域的重要人士，就電子煙行業的法律法規、未來發展、標準化和品質評級、行業經銷模式的發展等方面進行深入的討論交流。

銷售渠道建設

SPV品牌已於二零一四年十月在天貓商城建立了品牌旗艦店，表現出良好的示範效果。近期，SPV將於國內各主流線上平台開設旗艦店，達到線上的全面覆蓋。

在線下實體渠道方面，SPV品牌計劃初步在年齡群體相對更有活力、更容易接受新鮮潮流事物的娛樂場所進行推廣，包括酒吧、夜店等。同時本集團在努力尋求與連鎖便利店展開合作，以達到更為廣闊、縱深的覆蓋範圍。另外，本集團亦在計劃建設SPV品牌自有專賣店，作為線下的另一種渠道。

在海外線下渠道方面，SPV亦與美國的一家經銷商建立了合作關係，近期會在美國佛吉尼亞州開始第二代產品的初步銷售。同時，SPV與西班牙、俄羅斯、克羅地亞、瑞典、韓國等市場的經銷商也展開了接觸，力爭可以盡快在這些市場開始產品的銷售。

通過以上產品、品牌、市場、渠道等各方面的工作部署，本集團希望在未來若干年內成為國內、國際領先的電子煙品牌和電子煙煙油供應商，而該業務能成為本集團未來發展的引擎之一。

Management Discussion and Analysis

管理層討論及分析

Review of R&D

The Group pays foremost attention to constantly enhancing the capacity of R&D. During the financial year, the Group's R&D cost amounted to HKD256,205,000, representing an increase of HKD12,688,000 as compared with the last financial year. R&D cost represented approximately 5.9% of sales revenue, such ratio slightly increased as compared with approximately 5.7% of the last financial year. After continuous investment, the Group has set up a R&D team which is in a leading position in China and is of international standards. The State-recognised technology center in Shanghai, the overseas R&D centers in Germany and the U.S. and the professional R&D departments in Yunnan, Guangdong and Fujian, etc., together form a vertically integrated platform for R&D in areas ranging from fundamental research to product applications. The R&D strategy of the Group is market-driven and focuses on technology innovation, so as to closely follow the latest global industry trends and to accelerate the mastering of technologies in key raw materials. With such strengths, the Group is able to develop products and technologies that meet market demands, to gradually form a R&D team with a global perspective and deliver a system integration platform of technology, and thereby comprehensively elevate its overall competitiveness in relation to research and development.

研發情況回顧

本集團非常注重不斷地提升自身的研發能力。於本財政年度內，本集團共投入研發費用港幣256,205,000元，比上一財政年度增加了港幣12,688,000元；而研發費用佔銷售收入的比例為約5.9%，比上一財政年度的約5.7%稍微提高。經過不斷投入，本集團已經建立了一支國內領先、具有國際水平的研發團隊；憑藉上海國家級企業技術中心、德國及美國等海外研發中心以及雲南、廣東及福建等地的專業化研發部門，本集團建立了一個從基礎研究到產品應用的垂直一體化研發平台。本集團的研發策略為始終以市場為原動力，注重技術創新，密切跟蹤國際行業的最新動向，加快對關鍵原料技術掌握，並開發出適合市場需求的產品和技術；逐步建立一支具有國際視野的團隊，打造一個技術系統集成平台，全面提升綜合研發實力。

During the financial year, the Group and its major customers further stepped up their cooperation and continued to carry out key R&D projects. In May 2014, the grand opening ceremony of the “China Tobacco Yunnan – Huabao International Tobacco Innovation and Technology Joint Laboratory” took place at Guangdong Jinye. The establishment of such laboratory is conducive to generating synergies between the parties in the areas of R&D of tobacco innovation technology, product enhancement and technology innovation. Later in August 2014, the grand opening ceremony of the “China Tobacco Yunnan New Materials R&D and Innovation Platform” took place at Huabao Korea. The establishment of such innovation platform marks the official overseas technology cooperation between China Tobacco Yunnan and the Group. Leveraging on Huabao Korea, both parties will strengthen cooperation in the area of new materials R&D and step up innovation efforts to further strengthen their respective global competitiveness, so as to facilitate their synergistic development.

本財政年度內，本集團與其主要客戶的重點研發工作繼續開展，合作關係進一步深化。二零一四年五月，「雲南中煙－華寶國際煙草創新技術聯合重點實驗室」揭牌儀式在廣東金葉隆重舉行。該實驗室的成立將有利於發揮雙方在煙草創新技術研發、產品升級和技術創新等領域的成果互動。繼而於二零一四年八月，「雲南中煙技術中心新材料研發創新平台」揭牌儀式在華寶韓國隆重舉行。該創新平台的搭建，標誌著雲南中煙與本集團已正式步入海外技術合作階段，雙方將以華寶韓國為依托，在新材料研發領域加強合作，加速創新，以進一步增強雙方的國際競爭力，促進雙方共同發展。



Grand opening ceremony of the “China Tobacco Yunnan – Huabao International Tobacco Innovation and Technology Joint Laboratory”
「雲南中煙－華寶國際煙草創新技術聯合重點實驗室」揭牌儀式

Management Discussion and Analysis

管理層討論及分析

At the same time, the Group is also actively engaged in the research on fragrances along with research institutes and has established a strategic cooperation relationship with them, including the strategic partnership with Shanghai Jiao Tong University to study the standardised construction and development of aromatic plants. In terms of specific achievements, the Group has developed a modern separation technology to prepare for natural fragrances from natural aromatic plants where important fragrances components can be entirely extracted from natural plants. The fragrances quality of these fragrances products made with such technology is greatly enhanced, leading to a higher selling price. Currently, its finished products have been featured in the Group's major customers' products. Moreover, the Group also utilises a synthetic technology to prepare for important fragrances components, which are key to the tobacco industry. Currently, the Group has two products that are under pilot scale production.

Furthermore, during the reporting period, the R&D team filed for a total of 16 new patent application in regards to invention and utility innovation, where 19 invention patents that were previously applied granted, and 8 utility innovation patents that were previously applied granted.

Some of the major patents granted include:

- The production method of a new roasted fragrance and its products and applications
- A tobacco biological fragrances and its production method and applications
- The production of a Maillard reaction tobacco fragrance
- A method to reduce carbon monoxide emission of mainstream smoke from cigarettes
- A paper-making RTL pulp grinding workmanship
- The production method of raw materials of dry-pressed RTL
- The base paper shaping device for dry-pressed paper-making RTL production
- The drying device for dry-pressed paper-making RTL production
- An air filter affixed with increased resistance solid sheet
- The production method of the controllable release and humidity resistant gelatine compound tobacco capsules and its products and applications

同時，本集團亦積極展開與科研機構就香料方面的研究，並建立戰略合作關係，這其中包括與上海交通大學建立戰略合作關係，研究芳香植物的標準化建設和開發等。在具體成果方面，本集團開發了一種現代分離工藝技術，從天然香味植物製備天然香料，可以完整地提取天然物中關鍵香味成分。以該技術製備的香料產品可使香精品質有大幅度進步，從而可以獲得更高的售價。目前其成品已在本集團主要客戶的產品中開始使用。另外，本集團還利用一種合成技術對重要的香味成分進行製備，這在煙草領域乃關鍵技術，本集團現已擁有兩個中試規模的產品。

另外，研發團隊於報告期內新申請的發明和實用新型專利合共16項，已申請並獲授權的發明專利19項，及已申請並獲授權的實用新型專利8項。

其中主要獲授權專利項目包括：

- 一種新型烤香香料的製作方法、其產品及用途
- 一種煙用生物香料及其製備方法與它的用途
- 一種煙用美拉德反應香料的製備方法
- 一種降低捲煙主流煙氣一氧化碳釋放量的方法
- 一種造紙法煙草薄片磨漿工藝
- 一種乾法再造煙葉的原料製備方法
- 一種乾法造紙法生產再造煙葉的基片成型裝置
- 一種乾法造紙法生產再造煙葉的烘乾裝置
- 具有增阻固型片的空氣濾棒
- 可控釋放型和耐溫濕環境的植物膠複合型煙用膠囊的製備方法，所得產品及用途

Internationalized R&D team

Tobacco flavours technicians
Food flavours technicians
Fragrances technicians
Biochemical technicians
Fragrances developing technicians
Innovative tobacco developing technicians
Analysis, inspection and quality control technicians
New cigarette materials, new workmanship and other R&D technicians
Total

Among all, 19 are foreign experts, and 42 are senior experts with over 20 years of experience

Human Resources and Corporate Culture construction

As at 31 March 2015, the Group employed a total of approximately 2,300 employees in the PRC, Hong Kong, Germany, U.S., Botswana and Korea, down by approximately 200 employees as compared with approximately 2,500 employees last year. Such decrease was mainly due to the optimisation of employee structure carried out by subsidiaries, particularly Guangdong Jinye. The labour costs for the year (including pension and mandatory provident fund, etc.) amounted to HKD432,491,000, representing an increase of HKD38,527,000 from HKD393,964,000 of the last financial year. The increase in the labour costs was primarily attributable to the hike of product prices and living standards in China and the Group's investment in human resources. Regarding employee salary and incentive system, the Group has implemented a remuneration system referenced to the market to attract stable and exceptional talents, so as to meet with the Group's long term development needs. Generally, remuneration includes fixed and performance-based salaries, while senior management would also be entitled to incentives such as discretionary bonus and share options, which are subject to adjustment with reference to price level in the market and their respective performance. As to Directors' remunerations, remunerations are subject to adjustment made by the Board with reference to their respective duties and responsibilities, the prevailing benchmark in the market and the Group's performance. For details, please refer to Note 26 to the consolidated financial statements headed under "Employment Benefit Expenses".

國際化的研發團隊

煙用香精技術人員	76
食用香精技術人員	38
日用香精技術人員	11
生化科技技術人員	43
香料研發技術人員	56
新型煙草研發技術人員	19
分析檢測和品控人員	147
捲煙新材料、新工藝及其他技術研發人員	90
總數	480

其中，19位為外籍專家，及42位為資歷超過20年的資深專家

人力資源及企業文化建設

於二零一五年三月三十一日，本集團在中國大陸、香港、德國、美國、博茨瓦納及韓國共聘用員工約2,300人，比去年的約2,500名員工減少約200人，主要是由於下屬公司尤其是廣東金葉精簡了員工編製所致。本年度共發生員工成本（包括退休保險及強積金等）為港幣432,491,000元，比上財政年度的港幣393,964,000元增加了港幣38,527,000元。本年度員工成本的增加，主要是由於中國物價及生活水平的提高及以及集團加大對人才的投入所致。在員工薪酬及激勵機制方面，本集團根據市場化的原則擬定了一套薪酬制度，以吸引和穩定優秀人才，適應集團的長遠發展需要。薪酬制度一般包括固定底薪和績效薪酬，而高級管理層亦享有酌情花紅及購股權等激勵待遇。而該等激勵待遇亦將不時參照市場物價水平及其工作表現等指標作調整考慮。在董事薪酬方面，董事會亦將不時參照其職務及職責、市場基準和集團的表現等指標作調整考慮。有關詳情載於綜合財務報表附註26標題為「僱員福利關支」。

Management Discussion and Analysis

管理層討論及分析

The Group has placed substantial emphasis on talent building. Through external recruitment and internal nomination, the Group has established a comprehensive recruitment system. For reserve talent training, the reserve talent pool is constantly reinforced through internal recruitment and training courses, ensuring healthy and systematic growth of the reserve talent team and providing new talent for the Group at a suitable time. Various departments of the Group carried out different training activities based on work requirements from time to time. During the financial year, the Group recorded a total of approximately 25 training activities. Among which, for the long-term development of the Group and development of flavour and fragrance talents, a flavourist training was held by the Group at the Shanghai Institute of Technology during March 2014 to February 2015, at which approximately 16 talents selected internally participated. To enhance the management capability of reserve talents and for the long-term development of the Group's human resources, the second reserve talent training programme was held by the Group in Guangzhou and Shanghai during May to November 2014, at which approximately 25 employees participated. To aid fresh graduates quickly learn about the Group and get to know about its corporate culture and commence work as soon as possible, a 14-day fresh graduate training course was held by the Group in Shanghai and Yingtan in July 2014. In April 2015, the core management team of the Group participated in the strategic training programme tailored by the China Europe International Business School featuring corporate strategic thinking, value creation and investment decision-making. The core management team comprised of 38 members led by the Chairwoman of the Group will regularly participate in such one-year training programme.

本集團高度重視人才建設。本集團通過外部招聘或內部推薦，建立了一套完善的招聘機制。在後備人才庫的建設方面，通過定期的內部招聘及培訓課程，持續強大後備人才庫，保證後備人才隊伍健康及有序成長，適時為集團注入新力量。集團各部門不定期的根據工作需求開展不同範疇的培訓活動，於本財政年度內，有記錄的培訓活動共約25次。其中，為集團長遠發展儲備香精香料調香人才，於二零一四年三月至二零一五年二月間，集團於上海應用技術學院舉辦了調香員培訓，共約16位通過內部選拔的人才參與了該次培訓；為提高後備人才管理能力，及為集團長遠發展儲備人力資源，於二零一四年五月至十一月間，集團分別於廣州和上海舉辦了第二屆後備人才培訓，共約25人參與了該次培訓；為幫助應屆大學生迅速瞭解本集團，並盡快融入企業文化及開始工作，於二零一四年七月，集團分別於上海及鷹潭舉辦了應屆大學生培訓共14天的課程；於二零一五年四月，本集團核心管理團隊參加由中歐國際工商學院訂制的戰略培訓，主題圍繞企業戰略思維，價值創造和投資決策等，集團主席率領核心管理團隊共38人將定時參與該為期約一年的培訓。



The Group has remained committed to corporate culture development and established a clear vision, as well as a common goal for all employees, of combining corporate development and individual growth to achieve common development of the Company and its employees. Adhering to its core value of “client first” for years to maximise client values, the Group also formulated a code of conduct for each employee on the basis of this concept. Corporate culture and information is spread through the Company’s monthly internal magazine, and employees are also encouraged to submit articles for cultural enrichment. On the other hand, the Group enriched employees’ leisure time through various recreational and sports activities including sports contests and outward bound trainings to reinforce cohesion of Huabao people and their sense of identity. During the financial year, different forms of leisure activities were held by the Group to allow employees to relax after hectic work schedules and interact with each other. In September 2014, the “Top 10 Employees” of the year started off their journey to Mongolia and spent a memorable five-day vacation together. During the trip, not only each of the employees had the opportunity to share their revelations over the past year, they also experienced local life and culture by staying in Mongolian yurts, riding camels in the desert and tasting a roasted goat. In November 2014, the eighth annual “Huabao Cup” badminton finals of the Group was held at the Jiading Stadium in Shanghai, athletes from the Group’s headquarters and its subsidiaries participated in the game. “Huabao Cup” is one of the key sports events of the Group where its subsidiaries are divided by geographical location into the eastern China division and the southern China division. The winners of the preliminaries will then compete in the finals held in Shanghai for various trophies.

本集團亦一直重視企業文化建設。本集團有明確的願景並將其作為全體員工的奮鬥目標，倡導將企業發展與個人成長結合，實現企業與員工共同發展的理念。本集團多年來堅持客戶至上的核心價值觀，以為客戶創造最大價值為己任，並把它作為每個員工的行為準則。本集團通過內部月刊，不僅傳遞企業文化及信息，同時鼓勵員工寫作投稿，推動文化修養。另一方面，通過持續地舉辦體育比賽、拓展訓練等文體活動，豐富華寶人的工餘生活，增強華寶人的凝聚力和對企業文化的認同感。本財政年度內，本集團舉辦了多次不同形式的工餘活動，讓員工在繁忙的工作後，得以舒展身心，促進員工之間的融合。二零一四年九月，年度「十佳員工」出發內蒙古，共同度過了五天的難忘之旅。旅途上員工們各自回顧過去一年工作上體會的同時，亦得以親身體驗入住蒙古包、沙漠騎駱駝、品嚐烤全羊等地道生活文化。二零一四年十一月，本集團第八屆「華寶盃」羽毛球賽決賽在上海嘉定體育館上演，來自集團總部及各下屬公司的運動員參與了該次比賽。「華寶盃」是本集團運動盛事之一，下屬公司按地區分佈編成華東、華南兩個賽區，經過多輪預賽後進軍在上海舉辦的決賽，爭奪各種錦標。

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In terms of media promotion and development, the Group will make use of both internal and external media going forward. Regarding its own media system, the Group has completed the platform development of “Three Ws, One Website and One Magazine”, where “Three Ws” refers to the development of public accounts through Weibo, Wexin and Weqia platforms. Capitalising on the most popular online communication platforms nowadays, real-time and effective dissemination of information of the enterprise including latest news, development and concepts is made possible. In respect of the corporate website, the Group also completed the full-scale facelift of the old version of the website with new designs and contents in all aspects. The website after revamped is refreshing and is more in line with the future positioning of the Group. The contents are more informative which can provide more useful information to those in need. In addition, to align with its strategic transformation and upgrade, the Group has also revamped its internal magazine, “Huabao View”, which contains columns like news, plans (such as feature articles and hot topics, etc.) and employee participation. This has not only significantly increased employees’ participation and recognition, but also enhanced the use value of the internal magazine, which enriches the employees’ life and, at the same time, effectively delivers the core concepts and cultures of the enterprise to them. For external media, the Group plans to engage a professional public relations company in the near future to enhance its corporate image by packaging, planning and promotion.

在媒體宣傳建設方面，本集團未來將以自媒體和外媒體兩個方面同時進行推進。在自媒體體系中，本集團已完成了「三微一網一刊」的平台搭建，這包括在微博、微信、微洽這「三微」平台上建立公眾賬戶，充分利用當今最主流的網絡通信平台，對企業的動態、發展、理念等方面進行即時、有效的傳遞。在企業網站方面，本集團亦對以往版本進行了徹底的升級，設計和內容方面皆進行了全方位的更新。新的網站風格煥然一新，更為符合本集團未來的定位；內容則更為詳盡，能夠真正為有需要的人士提供更多有用的信息。另外，本集團為配合戰略的轉型和升級，對內部刊物《華寶視界》也進行了改版，現在分為新聞類、策劃類（如：專題報道、熱點聚焦等）、員工參與類幾個版塊，大幅提升了員工的參與度和認同感，提高了內部刊物的使用價值，使得其在豐富了員工的生活之餘，還能夠更為有效地傳遞企業的核心理念與文化。在外媒體方面，本集團計劃在不久的未來聘請一家專業的公關公司，對企業形象進行一系列的包裝、策劃、宣傳。



Corporate Information Technology Development

The management is of the view that, to cope with the intensifying competition in the industry, the Group will need to maintain its edge in the industry through enhancing its management standards. Accordingly, the IT strategy of the Group will focus on formulating the overall strategic objectives of the Group and its positioning should serve as a strategic tool to support and promote the long-term development and management of the Group.

Looking ahead, the Group will focus on building an IT platform that generates synergies in the areas of production, management and industry. Based on the overall concept of IT management, the Group's IT development efforts will focus on the following three areas: i) to provide support to the Group for management innovation; ii) to provide shared services for its subsidiaries; and iii) to build an ecological environment for the extension of the industry. With respect to management innovation, the Group will achieve meticulous management and operation to enhance customers' satisfaction; strengthen management and control to avoid risks and enhance corporate governance capability; facilitate flat management of the Group to enhance communication. With respect to synergistic and shared services, the Group will construct a service sharing centre to provide IT management and development services for member companies of the Group. At the same time, it will enhance the information exchange among peers and increase the synergistic benefits in the industry chain. With respect to building an ecological environment, the Group will endeavour to achieve expansion and extension with a view to building a synergistic informationised strategic platform.

企業信息化技術建設

管理層認為，為了適應加劇的行業競爭，本集團需要通過不斷提高管理水平以保持行業中的持續優勢。因此本集團的信息化戰略將圍繞集團的整體戰略目標制定，其定位應為長期支持與推動集團發展與管控的戰略助手。

未來，本集團將重點打造生產、管控及產業協同的信息化平台。根據管理信息化的總體思路，集團信息化技術建設工作重心將放在為集團的管理創新提供支持，為下屬企業提供共享服務以及為產業的延伸打造生態系統三個方面。在管理創新方面，本集團將實現精細化管理與運營，提升客戶的滿意度；加強管控，防範風險，提高公司治理能力；以及促進集團管理扁平化，提高溝通效率。在協同共享方面，本集團將建立集團服務共享中心，為集團成員企業提供信息化管理與建設服務；同時加強產業信息溝通，提高產業鏈協作效率。在生態系統方面，本集團將支持集團外延拓展，打造產業協同的信息化戰略平台。

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FINANCIAL REVIEW

Analysis of annual results for the year ended 31 March 2015

Sales revenue

The Group's sales revenue amounted to HKD4,326,486,000 for the year ended 31 March 2015, representing an increase of approximately 2.1% as compared with HKD4,237,425,000 for the last financial year. The continuous growth in sales revenue was mainly attributable to the stable increase in sales of flavours by approximately 4.8% in this financial year, and a significant increase in sales of new materials by HKD65,766,000 in this financial year. But as sales of RTL in this financial year decreased by approximately 11.6% from last financial year, the overall growth was partially offset. For the year ended 31 March 2015, sales revenue from flavours reached HKD3,209,099,000, contributing approximately 74.2% of total sales revenue; sales revenue from RTL reached HKD945,574,000, contributing approximately 21.8% of total sales revenue; sales revenue from new materials reached HKD86,769,000, contributing approximately 2.0% of total sales revenue; while sales revenue from fragrances reached HKD85,044,000, contributing approximately 2.0% of total sales revenue.

Cost of goods sold

The Group's cost of goods sold amounted to HKD1,301,169,000 for the year ended 31 March 2015, representing an increase of approximately 5.0% as compared with HKD1,239,306,000 for the last financial year.

Gross profit and gross profit margin

Gross profit of the Group increased from HKD2,998,119,000 for the year ended 31 March 2014 to HKD3,025,317,000 for the year ended 31 March 2015, representing an increase of approximately 0.9%; gross profit margin was 69.9%, representing a decrease of less than 1 percentage point from 70.8% of the last financial year. The gross profit margin remained largely stable as compared with last financial year.

Other income and other gains – net

Other income and other gains – net of the Group was HKD263,205,000 for the year ended 31 March 2015, representing an increase of HKD58,634,000 as compared with HKD204,571,000 for the last financial year. The increase in other income is mainly attributable to increase in fair value of financial assets at fair value through profit or loss and government grants.

財務狀況回顧

截至二零一五年三月三十一日止年度的業績分析

銷售額

截至二零一五年三月三十一日止年度，本集團的銷售額達港幣4,326,486,000元，較上一財政年度的港幣4,237,425,000元增長了約2.1%。銷售額的增加，主要是由於食用香精香料的銷售收入於本財政年度增加了約4.8%，繼續穩步增長；以及新材料的銷售收入於本財政年度顯著增加了港幣65,766,000元。但由於本財政年度煙草薄片的銷售收入比上一財政年度下降了約11.6%，因而抵消了部分升幅。截至二零一五年三月三十一日止年度，食用香精香料的銷售額達港幣3,209,099,000元，佔總收入約74.2%；煙草薄片的銷售額達港幣945,574,000元，佔總收入約21.8%；新材料的銷售額達港幣86,769,000元，佔總收入約2.0%；日用香精香料的銷售額達港幣85,044,000元，佔總收入約2.0%。

銷售成本

截至二零一五年三月三十一日止年度，本集團的銷售成本為港幣1,301,169,000元，較上一財政年度的港幣1,239,306,000元增加了約5.0%。

毛利和毛利率

本集團的毛利由截至二零一四年三月三十一日止年度的港幣2,998,119,000元增加至截至二零一五年三月三十一日止年度的港幣3,025,317,000元，增長了約0.9%；毛利率為69.9%，較上一財政年度的70.8%下降了不足1個百分點。毛利率與上一財政年度相比大致穩定。

其他收入及其他收益 – 淨額

截至二零一五年三月三十一日止年度，本集團的其他收入及其他收益 – 淨額為港幣263,205,000元，較上一財政年度的港幣204,571,000元增加了港幣58,634,000元。其他收益的增加主要是由於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上升及政府津貼的增加所致。

Selling and marketing expenses

The selling and marketing expenses of the Group mainly comprised travelling expenses, transportation costs, advertising and promotion expenses, salaries and office expenses. The selling and marketing expenses of the Group for the year ended 31 March 2015 were HKD204,650,000, representing an increase of approximately 20.4% as compared with HKD169,936,000 for the last financial year. Selling and marketing expenses to total sales revenue for the year ended 31 March 2015 and 2014 amounted to approximately 4.7% and 4.0% respectively. The increase of such ratio was mainly because the Group had stepped up its advertising effort for products such as e-cigarettes which drove up the promotion expenses.

Administrative expenses

The Group's administrative expenses amounted to HKD763,727,000 for the year ended 31 March 2015, representing an increase of approximately 16.5% as compared with HKD655,510,000 for the last financial year. Administrative expenses to total sales revenue during the current financial year amounted to approximately 17.7%, representing an increase of approximately 2.2 percentage points as compared with 15.5% for the last financial year. The increase in the ratio of administrative expenses to total sales revenue was mainly attributable to the increase in R&D expenses, employee salary and staff benefit expenses, etc.

Operating profit

Operating profit of the Group for the year ended 31 March 2015 was HKD2,320,145,000, representing a decrease of approximately 2.4% as compared with HKD2,377,244,000 for the last financial year, while the operating profit margin decreased to approximately 53.6% of the current financial year from approximately 56.1% of the last financial year. The decrease in operating profit and operating profit margin were mainly attributable to the growth of sales revenue was slower as compared with the faster increase in selling and marketing and administrative expenses, etc.

Income tax expenses

Income tax expenses of the Group for the year ended 31 March 2015 was HKD391,054,000, representing a decrease of approximately 7.0% as compared with HKD420,381,000 for the last financial year. Income tax rate of the current year was approximately 16.4%, which was decreased by approximately 1 percentage point as compared with approximately 17.4% for last financial year. The decrease in income tax expenses and income tax rate was mainly attributable to the decrease in withholding income tax on dividends resulted from dividends expected to be declared by PRC subsidiaries will be lower than that in current financial year.

銷售及市場推廣開支

本集團的銷售及市場推廣開支主要包括差旅費、運輸成本、廣告及宣傳費用、薪金及辦公費用等。本集團截至二零一五年三月三十一日止年度的銷售及市場推廣開支為港幣204,650,000元，較上年度的港幣169,936,000元增加約20.4%。於截至二零一五年及二零一四年三月三十一日止年度的銷售及市場推廣開支所佔銷售總額的比例分別為約4.7%及4.0%。該比例的上升主要是由於本集團加大了如電子霧化煙等產品的銷售力度導致宣傳費用上升所致。

行政開支

本集團截至二零一五年三月三十一日止年度的行政開支為港幣763,727,000元，較上一財政年度的港幣655,510,000元，增加了約16.5%。而行政開支所佔本財政年度的銷售總額的比例為約17.7%，較上一財政年度的15.5%增加了2.2個百分點。行政開支金額及佔銷售比例增加的原因是集團研發費用、員工薪酬及福利開支等費用的上升所致。

營運盈利

本集團營運盈利在截至二零一五年三月三十一日止年度為港幣2,320,145,000元，較上一財政年度的港幣2,377,244,000元，減少了約2.4%。而本集團的營運盈利率由上年度的約56.1%下降至本年度的約53.6%。營運盈利的減少及營運盈利率的下降主要是由於銷售收入的增長較慢但銷售和行政等開支增幅較高所致。

稅務開支

本集團的稅務開支在截至二零一五年三月三十一日止年度為港幣391,054,000元，較上一財政年度的港幣420,381,000元，減少了約7.0%。本年度所得稅稅率約為16.4%，比上一財政年度的約17.4%降低約1個百分點。稅務開支及所得稅稅率的下降主要是由於預期中國大陸子公司派發的股息比今年減少，因而預提有關的所得稅減少所致。

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Profit attributable to the equity holders of the Company

Profit attributable to the equity holders of the Company was HKD1,986,584,000 for the year ended 31 March 2015, representing an increase of 0.5% as compared with HKD1,977,325,000 for the last financial year.

Net current asset value and financial resources

As at 31 March 2015, the net current asset value of the Group was HKD4,454,334,000 (2014: HKD4,068,533,000). The Group generates its working capital mainly through its operating activities to maintain a sound financial position. As at 31 March 2015, the Group's cash and bank balances amounted to HKD3,626,091,000 (2014: HKD3,181,745,000), over 97% of which was held in RMB. The Group neither held any forex hedging products nor structured investment products or financial derivatives.

Bank borrowings and debt ratio

As at 31 March 2015, the Group had bank borrowings of HKD750,278,000 (2014: HKD530,131,000), all of which were due within one year. Among which, HKD735,128,000 are unsecured loan with interest calculated based on inter-banks borrowings rate. For the year ended 31 March 2015, the average annual interest rate of such unsecured loan was 2.24% (2014: 2.39%); the average annual interest rate of the remaining secured loan was 6.30% (2014: 6.30%). As at 31 March 2015, the Group's debt ratio (total borrowings, include current and non-current borrowings, divided by total equity (excludes non-controlling interests)) was 8.2% (2014: 6.1%).

Investing activities

The Group's investing activities were for the purchase of property, plant and equipment, financial assets investment and the strategically development strategies for M&As. For the year ended 31 March 2015, the net cash used in investing activities amounted to HKD349,535,000, mainly for newly acquired financial assets, procurement of properties, plant and equipment, and placement of short-term time deposits. For the year ended 31 March 2014, the net cash used in investing activities amounted to HKD595,898,000.

Financing activities

For the year ended 31 March 2015, the net cash used in financing activities amounted to HKD1,497,567,000, mainly used for dividend distribution to shareholders. For the year ended 31 March 2014, the net cash used in financing activities amounted to HKD770,576,000.

本公司權益持有人應佔盈利

本公司權益持有人應佔盈利在截至二零一五年三月三十一日止年度為港幣1,986,584,000元，較上一財政年度的港幣1,977,325,000元增加了約0.5%。

流動資產淨值和財務資源

於二零一五年三月三十一日，本集團的流動資產淨值港幣4,454,334,000元（二零一四年：港幣4,068,533,000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。於二零一五年三月三十一日，本集團的銀行及庫存現金為港幣3,626,091,000元（二零一四年：港幣3,181,745,000元），其中超過97%是以人民幣持有。本集團無持有任何外匯對沖產品、結構性投資產品及財務衍生工具。

銀行貸款及負債比率

於二零一五年三月三十一日，本集團的銀行貸款總額為港幣750,278,000元（二零一四年：港幣530,131,000元），全部於一年內到期償還。其中港幣735,128,000元為信用貸款，按銀行同業拆借息率作基礎。截至二零一五年三月三十一日止年度，該無抵押貸款的平均年息率為2.24厘（二零一四年：2.39厘）；而餘下的抵押貸款的平均年息率為6.30厘（二零一四年：6.30厘）。於二零一五年三月三十一日，本集團之負債比率（總債務（包括流動及非流動貸款）除以總權益，不含非控制性權益）為8.2%（二零一四年：6.1%）。

投資活動

本集團的投資活動主要與購買物業、機器及設備、金融資產投資和作為收購合併活動的戰略性發展策略有關。截至二零一五年三月三十一日止年度，投資活動所用現金淨額為港幣349,535,000元，主要是用於新增金融資產、購入物業、機器及設備，以及存入短期銀行定期存款等。而截至二零一四年三月三十一日止年度，投資活動所用的現金淨額為港幣595,898,000元。

融資活動

截至二零一五年三月三十一日止年度，本集團融資活動所用現金淨額為港幣1,497,567,000元，主要用於向股東派發股息。而截至二零一四年三月三十一日止年度，融資活動所用的現金淨額為港幣770,576,000元。

Debtors' turnover period

Debtors' turnover period is calculated on the basis of the average amount of trade receivables net of provisions as at the beginning and end of a relevant financial year divided by the total sales revenue for the corresponding period and multiplied by 360 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 year ended 31 March 2015, the Group's average debtors' turnover period was 79 days, representing an increase of 3 days as compared with 76 days for the last financial year ended 31 March 2014. Debtors' turnover period is generally stable.

Creditors' turnover period

Creditors' turnover period is calculated on the basis of the average amount of trade payables as at the beginning and the end of a relevant financial year divided by the cost of goods sold for the corresponding period and multiplied by 360 days. Credit periods granted by suppliers to the Group ranged from 0-180 days. For the year ended 31 March 2015, the Group's average creditors' turnover period was 116 days, representing a decrease of 4 days as compared with 120 days for the last financial year ended 31 March 2014. Creditors' turnover period remains stable.

Inventory and inventory turnover period

As at 31 March 2015, the Group's inventory balance amounted to HKD818,433,000 (2014: HKD855,694,000). For the year ended 31 March 2015, the inventory turnover period (calculated on the basis of the average amount of inventory balances as at the beginning and end of a relevant financial year divided by the total cost of goods sold for the corresponding period and multiplied by 360 days) was 232 days, representing an increase of 6 days as compared with 226 days for the last financial year. The inventory balances at the end of the financial year decreased by HKD37,261,000 as compared with the beginning of the financial year. The increase in inventory turnover period was attributable to the average inventory balances of this financial year was higher than that of last financial year.

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 is of the view that the risk of RMB depreciation is very low. As a result, the Group's exposure to exchange rate risk is relatively low.

應收賬週轉期

應收賬週轉期乃通過將有關財政年度年初及年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360天計算。本集團一般給予客戶約0-180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。截至二零一五年三月三十一日止年度，本集團的平均應收賬週轉期為79日，比較截至二零一四年三月三十一日止財政年度的76日上升了3日，基本穩定。

應付賬週轉期

應付賬週轉期乃通過將有關財政年度年初及年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360天計算。供應商給予本集團的信貸期介乎零日至180日。截至二零一五年三月三十一日止年度，本集團的平均應付賬週轉期為116日，比較截至二零一四年三月三十一日止財政年度的120日下降了4日，保持穩定。

存貨和存貨週轉期

本集團的存貨結餘於二零一五年三月三十一日為港幣818,433,000元（二零一四年：港幣855,694,000元）。在截至二零一五年三月三十一日止年度，存貨週轉期（將有關財政年度年初及年末的存貨平均結餘除以相應期間的銷售成本總額再乘以360天計算）為232日，較上一財政年度的226日增加了6日。本年度期末的存貨值比年初時減少了約港幣37,261,000元，但由於本財政年度的平均存貨值比去年的有所上升，因此存貨週轉期比去年有所增加。

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。預期人民幣並無重大貶值風險，因此本集團所承擔之匯率風險也較低。

Management Discussion and Analysis

管理層討論及分析

Pledge of assets

As at 31 March 2015, the secured bank loan of the Group amounted to RMB12,000,000 (2014: RMB12,000,000).

Capital Commitments

As at 31 March 2015, the Group had capital commitments in respect of the purchase of property, plant, equipment and available-for-sale financial assets, contracted for but not provided in the financial statements amounting to approximately HKD274,175,000 (2014: HKD44,709,000), mainly was investment in high-tech fund amounted to HKD193,520,000.

Contingent liabilities

Based on the information available to the Board, the Group had no contingent liabilities as at 31 March 2015.

資產抵押

於二零一五年三月三十一日，本集團的抵押貸款為人民幣12,000,000元（二零一四年：人民幣12,000,000元）。

資本承擔

於二零一五年三月三十一日，本集團就已訂約購買的物業、廠房、設備及可供出售金融資產之投資但並未於財務報表撥備的資本承擔約港幣274,175,000元（二零一四年：港幣44,709,000元），主要為高科技創新基金的投資約港幣193,520,000元。

或然負債

根據可供董事會查閱的資料，本集團於二零一五年三月三十一日並無任何重大的或然負債。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)

EXECUTIVE DIRECTORS 執行董事



Ms. CHU Lam Yiu, aged 45, the Chairwoman of the Board, CEO, Executive Director and the chairwoman of Nomination Committee of the Company. Ms. Chu has been a member of the Board since March 2004. Ms. Chu is the mother of Mr. Lam Ka Yu (Non-executive Director of the Company). Ms. Chu is also a director of the Company's principal subsidiaries marked with "C1" and the legal representative of those companies marked with "C2" as set out in note 35 to the consolidated financial statements. Ms. Chu is experienced in formulating strategies and making executive decisions on business operation, investments and market development. She was a member of the Fifth Chinese People's Political Consultative Conference Committee (Shenzhen, Guangdong province). Ms. Chu, through the corporations controlled by her, is the beneficial owner of shares of the Company as set out in page 91 headed under Directors' Interests in Shares, Underlying Shares and Debentures.

朱林瑤女士，45歲，本公司董事會主席、首席執行官、執行董事及提名委員會主席，自二零零四年三月起出任董事會成員。朱女士為林嘉宇先生(本公司非執行董事)之母。朱女士亦是載於綜合財務報表附註35分別有「C1」和「C2」符號之本公司主要附屬公司的董事及法定代表人。朱女士擁有企業營運、投資及市場拓展之策略制定及決策方面之豐富經驗。彼曾擔任中國人民政治協商會議廣東省深圳市第五屆委員會委員。朱女士，透過受其控制的公司，實益擁有本公司股份，詳情已載於第91頁標題為「董事於股份、相關股份及債券之權益」。



Mr. XIA Li Qun, aged 48, an Executive Director, President, Chief Financial Officer and a member of the Remuneration Committee of the Company. Mr. Xia has been a member of the Board since September 2006. Mr. Xia is also a director of the Company's principal subsidiaries marked with "X1" and the legal representative of those companies marked with "X2" as set out in note 35 to the consolidated financial statements. Mr. Xia holds a Bachelor's degree in economics and is a certified accountant, certified tax specialist and certified appraiser in China. Mr. Xia has over 20 years of financial and corporate management experience. He previously worked in domestic accounting firms in China and was a senior management member of a foreign invested enterprise in China. Mr. Xia is currently the honorary chairman of the Shanghai Food Additive Trade Association.

夏利群先生，48歲，本公司執行董事、總裁、財務總監及薪酬委員會委員，自二零零六年九月起出任董事會成員。夏先生亦是載於綜合財務報表附註35分別有「X1」及「X2」符號之本公司主要附屬公司的董事及法定代表人。夏先生持有經濟學學士學位及中國註冊會計師、註冊稅務師及註冊評估師資格。夏先生擁有逾二十年財務及企業管理方面經驗。彼曾任職於中國內地會計師事務所和擔任中國之外商投資企業高層管理職位。夏先生現擔任上海市食品添加劑和配料行業協會名譽會長。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷（註）



Mr. POON Chiu Kwok, aged 52, an Executive Director, Vice President and the Company Secretary of the Company. Mr. Poon has been a member of the Board since March 2004. Mr. Poon was awarded the postgraduate diploma in laws by the University of London, United Kingdom. He holds a Bachelor's degree in laws and a Bachelor's degree in business studies and a Master's degree in international accounting. He is a fellow member of the Hong Kong Securities and Investment Institute, a fellow member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries and a member of its Technical Consultation Panel and Professional Development Committee. Mr. Poon has over 25 years of experience in regulatory affairs, investment banking and listed companies management.

潘昭國先生，52歲，本公司執行董事、副總裁及公司秘書，自二零零四年三月起出任董事會成員。潘先生獲英國倫敦大學授予法學深造文憑；擁有法學學士學位、商業學學士學位和國際會計學碩士學位，彼為香港證券及投資學會資深會員、英國特許秘書及行政人員公會及香港特許秘書公會資深會士及其技術諮詢小組成員及專業發展委員會委員。潘先生於規管事宜、投資銀行及上市公司管理方面擁有逾25年經驗。



Mr. WANG Guang Yu, aged 51, an Executive Director and Vice President of the Company. Mr. Wang has been a member of the Board since August 2004. Mr. Wang is also a director of the Company's principal subsidiaries marked with "W1" and the legal representative of those companies marked with "W2" as set out in note 35 to the consolidated financial statements. Mr. Wang holds a Master's degree in chemical analysis and has a qualification of senior engineer. Mr. Wang was an expert with special allowance provided by the State Council of the PRC government in recognition of his outstanding contribution to the engineering technology sector of China. Mr. Wang previously worked in management positions of large-scale chemical company in China. He has over 20 years of R&D and management experiences in the chemical industry.

王光雨先生，51歲，本公司執行董事及副總裁，自二零零四年八月起出任董事會成員。王先生亦是載於綜合財務報表附註35分別有「W1」及「W2」符號之本公司主要附屬公司的董事及法定代表人。王先生持有分析化學碩士學位、高級工程師資格，為國務院特殊津貼專家以表彰其對中國工程技術事業所作出的突出貢獻。王先生曾任職於中國內地大型化工企業管理職位，於化工行業擁有超過二十年研發及管理方面經驗。

NON-EXECUTIVE DIRECTOR 非執行董事



Mr. LAM Ka Yu, aged 22, a Non-executive Director of the Company. Mr. Lam has been a member of the Board since November 2013. Mr. Lam is the son of Ms. CHU Lam Yiu (the Chairwoman of the Board, CEO and Executive Director of the Company). Mr. Lam received education in the United Kingdom and the United States of America. For corporate management experiences, Mr. Lam is currently the director and general manager of an unlisted company, which is principally engaged in advertising media business in China. He is also a director of a non-profit foundation in China. Mr. Lam previously served as an assistant to the general manager of a company engaged in energy technology business in China.

林嘉宇先生，22歲，本公司非執行董事，自二零一三年十一月起出任董事會成員。林先生是朱林瑤女士（本公司董事會主席、首席執行官、執行董事）的兒子。林先生於英國及美國接受教育。就企業管理經驗方面，林先生目前於一家主要在中國經營廣告傳媒業務的非上市公司擔任董事及總經理職務，彼同時亦為國內一家非牟利基金會的理事，林先生亦曾擔任一家在中國從事能源技術業務的公司之總經理助理。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)

INDEPENDENT NON-EXECUTIVE DIRECTORS 獨立非執行董事



Dr. DING Ningning, aged 67, an Independent Non-executive Director and a member of both of the Audit Committee and Nomination Committee of the Company. Dr. Ding has been a member of the Board since August 2013. Dr. Ding graduated from Tsinghua University with a Bachelor's degree in electrical engineering, and graduated from the Party School of the Central Committee of the Communist Party of China in its first doctorate course in economics. Dr. Ding is currently a researcher of the Social Development Research Department of the Development Research Center ("DRC") of the State Council of the PRC, a director of the China Development Research Foundation, an executive director of the China Energy Research Society and an executive director of the China International Association for Urban and Rural Development. He has been conducting research at the DRC for over 30 years since 1982, and he was a director of the Enterprise Economic Research Department of the DRC from 1993 to 1998 and a director of the Social Development Research Department of the DRC from 1998 to 2008. Dr. Ding was a member of the Listed Company Supervisory Committee of China Securities Regulatory Commission.

丁寧寧博士，67歲，本公司獨立非執行董事、審核委員會和提名委員會委員，自二零一三年八月起出任董事會成員。丁博士畢業於清華大學電機工程系，獲工學學士學位，並取得中共中央黨校首屆經濟學博士學位。丁博士現任中國國務院發展研究中心（「該中心」）社會發展研究部研究員、中國發展研究基金會理事、中國能源研究會常務理事和中國城鄉發展國際交流協會常務理事。彼自一九八二年參加該中心的研究工作，至今已逾三十年，一九九三年至一九九八年擔任該中心企業經濟研究部部長，一九九八年至二零零八年擔任該中心社會發展研究部部長。丁博士曾擔任中國證券監督管理委員會的上市審查委員。



Mr. LEE Luk Shiu, aged 57, an Independent Non-executive Director, the chairman of both of the Audit Committee and Remuneration Committee and a member of Nomination Committee of the Company. Mr. Lee has been a member of the Board since May 2006. Mr. Lee is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and an associate of the Hong Kong Institute of Certified Public Accountants. Mr. Lee has about 30 years of experience in commercial accounting and corporate finance. Mr. Lee has principally engaged in corporate finance and regulatory aspects in the Stock Exchange. He was an assistant vice president of the Listing Division of the Stock Exchange, and his duties included regulating and monitoring the Hong Kong listed companies in relation to their compliance with the Listing Rules and processing new listing applications. He also served as a senior consultant of an investment bank for more than 5 years.

李祿兆先生，57歲，本公司獨立非執行董事、審核委員會主席、薪酬委員會主席和提名委員會委員。自二零零六年五月起出任董事會成員。李先生為英國特許公認會計師公會資深會員及香港會計師公會會員。李先生在商業會計及企業融資方面擁有約三十年經驗，曾主要從事聯交所之企業融資及監管事宜。李先生曾任職聯交所上市科副總監，其職責包括規管及監督香港上市公司有關遵守上市規則及處理新上市申請之程序。彼亦曾擔任一間投資銀行的高級顧問逾五年時間。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)



Ms. MA Yun Yan, aged 54, an Independent Non-executive Director and a member of both of the Audit Committee and Remuneration Committee of the Company. Ms. Ma has been a member of the Board since September 2004. Ms. Ma graduated from the Law School of Peking University in 1984 and obtained qualification as a lawyer in China in 1986. She is now the Partner of Shu Jin Law Firm. Ms. Ma was a member of the Fourth Listing Committee of Shenzhen Stock Exchange and she was re-appointed as a member for the Eighth Committee in September 2014 for a term of two years. Ms. Ma has been dedicated to teaching and doing research in the Law School in relation to international commerce and investment aspects for 10 years. She has extensive experience in the legal field in relation to the capital markets, including investments, mergers and acquisition, issuance of securities etc., and has lead-managed the issuance of shares and convertible bonds and major restructuring of numerous companies listed in PRC and Hong Kong. From August 2009 to August 2011, Ms. Ma was a member of the Growth Enterprises Board Public Offering Review Committee of China Securities Regulatory Committee.

麻雲燕女士，54歲，本公司獨立非執行董事、審核委員會和薪酬委員會委員。自二零零四年九月起出任董事會成員。麻女士於一九八四年畢業於北京大學法律系，一九八六年於中國內地取得律師資格，現在為廣東信達律師事務所合夥人。麻女士曾經擔任深圳證券交易所第四屆上市委員會委員，彼於二零一四年九月再次受聘擔任上述委員會第八屆委員，任期兩年。麻女士曾經從事國際商務與投資領域的法學教學、研究工作共十年時間。彼多年從事投資、收購合併、證券發行等資本市場的法律業務，曾主辦了多家於中國及香港上市之公司的股票、可換股債券發行以及重大重組。麻女士由二零零九年八月至二零一一年八月止擔任中國證券監督管理委員會創業版發行審核委員會委員。



Mr. WU Chi Keung, aged 58, an Independent Non-executive Director and a member of both of the Audit Committee and Remuneration Committee of the Company. Mr. Wu has been a member of the Board since August 2013. Mr. Wu is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and an associate of the Hong Kong Institute of Certified Public Accountants. Mr. Wu has over 30 years of experience in financial audit, corporate restructuring and merger and acquisitions. He was a partner of Deloitte Touche Tohmatsu until he retired in December 2008.

胡志強先生，58歲，本公司獨立非執行董事、審核委員會和薪酬委員會委員，自二零一三年八月起出任董事會成員。胡先生為英國特許公認會計師公會資深會員及香港會計師公會會員。胡先生於財務審計、企業重組及收購合併方面擁有超過30年經驗。直至二零零八年十二月退休前，彼曾為德勤•關黃陳方會計師行合夥人。

Note: Information contained in this section was up to 31 March 2015
附註：此部份所載資料乃截至二零一五年三月三十一日止

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷（註）

SENIOR MANAGEMENT (VICE PRESIDENT) 高級管理層（副總裁）



Mr. XIONG Qing, aged 38, a Vice President of the Company, joined the Group since May 2007. Mr. Xiong is also a director of the Company's principal subsidiaries marked with "XQ1" and the legal representative of those companies marked with "XQ2" as set out in Note 35 to the consolidated financial statements. Mr. Xiong majored in international accounting from Tsinghua University School of Economics and Management, and graduated with a Bachelor's degree in economics and he is also an EMBA degree holder of INSEAD in France. Prior to joining the Group, Mr. Xiong worked in several international investment banks for years. He has extensive experiences with Chinese enterprises and international capital market.

熊卿先生，38歲，本公司副總裁，自二零零七年五月起加入本集團。熊先生亦是載於綜合財務報表附註35分別有「XQ1」和「XQ2」符號之本公司主要附屬公司的董事及法定代表人。熊先生畢業於清華大學經濟管理學院國際會計專業，獲經濟學學士學位。熊先生亦持有法國INSEAD商學院EMBA學位。熊先生在加入本集團之前曾在多家國際投資銀行任職多年，並對中國大陸之企業以及國際資本市場方面擁有豐富經驗。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)

SENIOR MANAGEMENT 高級管理層



Mr. CHOY Man Fai, aged 51, a director of Tobacco Flavours and Fragrances Center of the Group, joined the Group since August 2006, responsible for marketing and sales of tobacco flavours. Mr. Choy is also a director of the company's principal subsidiaries marked "FC1" as set out in the Note 35 to the consolidated financial statements. He holds a diploma of applied chemical technology of Hong Kong Polytechnic University. Mr. Choy served as a marketing manager in a number of globally renowned flavours and fragrances companies. Mr. Choy has over 20 years of experience in flavours and fragrances marketing and management.

蔡文輝先生，51歲，集團煙用香精香料中心總監，自二零零六年八月起加入本集團，負責煙用香精市場與銷售工作。蔡先生亦是載於綜合財務報表附註35有「FC1」符號之本公司主要附屬公司的董事。彼持有香港理工大學應用化學技術工藝專業文憑。蔡先生曾任職於多家國際知名香精香料公司市場銷售管理職位。蔡先生擁有超過二十年香精香料市場行銷及管理方面經驗。



Mr. SONG Jun He, aged 46, an assistant to the president of the Group, joined the Group since August 2006. Mr. Song is also a director of the Company's principal subsidiaries marked with "SJ1" as set out in the Note 35 to the consolidated financial statements. Mr. Song graduated from Anhui University and holds a Bachelor's degree in analytical chemistry, later he studied at Zhejiang University and obtained a Master's degree in management. Before joining the Group, Mr. Song was a board member of a large domestic chemical enterprise. He has comprehensive management experience in R&D and production in the field of chemical industry.

宋俊和先生，46歲，集團總裁助理，自二零零六年八月起加入本集團。宋先生亦是載於綜合財務報表附註35有「SJ1」符號之本公司主要附屬公司的董事。宋先生畢業於安徽大學，獲分析化學專業學士學位，後就讀於浙江大學，獲管理學碩士學位。宋先生在加入本集團前，曾在一家國內大型化工企業擔任董事會成員，具有豐富的化工行業技術研發及生產等綜合管理經驗。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷（註）



Ms. YUAN Xiao Qin, aged 46, an assistant to the president of the Group, joined the Group since August 2006. Ms. Yuan is also a director of the Company's principal subsidiaries marked with "YX1" and the legal representative of those companies marked with "YX2" as set out in the Note 35 to the consolidated financial statements. Ms. Yuan holds an MBA degree and is a qualified engineer. Before joining the Group, Ms. Yuan served as an executive in a Hong Kong listed state-owned enterprise. She has around 20 years of experience in senior management position. Ms. Yuan is currently the representative of the People's Congress in Shantou City, Guangdong Province, a member of the National Committee of the Chinese People's Political Consultative Conference in Chaoyang District, Shantou City and the vice president of the Federation of Industry and Commerce in Chaoyang District, Shantou City.

袁肖琴女士，46歲，集團總裁助理，自二零零六年八月起加入本集團。袁女士亦是載於綜合財務報表附註35分別有「YX1」和「YX2」符號之本公司主要附屬公司的董事及法定代表人。袁女士持有工商管理碩士學位及工程師資格。袁女士在加入本集團前，在一家香港上市的中國國有企業擔任管理職務，擁有近二十年的高層行政經驗。袁女士現擔任廣東省汕頭市人民代表大會代表、汕頭市潮陽區政協委員及汕頭市潮陽區工商業聯合會副主席。



Mr. CHEN Hu, aged 40, a director of Food Flavours and Fragrances Centre of the Group, joined the Group since August 2006. Mr. Chen is also a director of the Company's principal subsidiaries marked with "CH1" and the legal representative of those companies marked "CH2" as set out in Note 35 to the consolidated financial statements. Mr. Chen holds a Bachelor's degree in economics from Central South University and an MBA degree from Nanyang Technological University, Singapore. Before joining the Group, Mr. Chen worked for several companies and has extensive experience in investments, merger and acquisition, marketing and corporate management. Mr. Chen is currently the deputy director of China Association of Bakery & Confectionery Industry and vice president of The Specialized Committee for Nuts and Roasted Seeds of China National Food Industry Association.

陳虎先生，40歲，集團食品及日用香精香料中心總監。自二零零六年八月起加入本集團。陳先生亦是載於綜合財務報表附註35分別有「CH1」和「CH2」符號之本公司主要附屬公司的董事及法定代表人。陳先生擁有中南工業大學經濟學學士學位和新加坡南洋理工大學工商管理碩士學位。陳先生在加入本集團前，曾在多家企業任職，對投資併購、市場營銷和企業管理方面擁有豐富經驗。陳先生現擔任中國焙烤食品糖製品工業協會副理事長及中國食品工業協會堅果炒貨專業委員會副會長。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)



Mr. Alan DAVIES, aged 67, the chief technical officer of tobacco flavours and general manager of Aromascape Development Centre in Germany, joined the Group since February 2007. Mr. Davies is also a director of the Company's principal subsidiaries marked with "AD1" as set out in the Note 35 to the consolidated financial statements. Mr. Davies holds a Higher National Diploma in food science of Grimsby College of Technology, United Kingdom. Mr. Davies served as a senior flavourist in charge of creation and applications in a number of globally renowned flavours and fragrances companies and tobacco factory, including BBA, Carreras Rothmans, Dragoco and Symrise. Mr. Davies has over 35 years of experience in tobacco flavours.

Alan DAVIES先生，67歲，煙用香精香料技術總監，德國Aromascape研發中心總經理，自二零零七年二月起加入本集團。Davies先生亦是載於綜合財務報表附註35有「AD1」符號之本公司主要附屬公司的董事。Davies先生持有英國Grimsby College of Technology的食品科學高級國家文憑，亦曾任職多家國際知名的香精香料公司和煙廠，包括BBA、Carreras Rothmans、Dragoco及Symrise，期間擔任高級調香師及主管開發和應用，Davies先生擁有超過三十五年的煙用香精香料經驗。



Mr. ZHAO De Xu, aged 38, a director of corporate management and information of the Group, joined the Group since February 2015. Mr. Zhao graduated from The Brandenburg University of Technology in Germany and holds a Master degree in information technology. He worked in Germany for more than 10 years. Mr. Zhao was selected as a member of China's "Thousand Talents Plan" of Xinjiang Project and as an overseas high-level talent of Jiangsu Province. He was named the "2012 China's most valuable CIO" and one project he participated was awarded the "First Class Award of Nanjing Enterprise Management Modernization Innovation Achievements". Before joining the Group, Mr. Zhao held executive position in a large diversified holding group. He has extensive experiences in the fields of corporate management, strategic and information management.

趙德旭先生，38歲，集團企業管理及信息總監，自二零一五年二月起加入本集團。趙先生畢業於德國勃蘭登堡州工業大學，獲信息技術碩士學位，並曾在德國工作逾十年。趙先生曾入選中國「千人計劃」新疆項目、江蘇省海外高層次人才及獲選「2012年度中國最具價值CIO」，其參與創造的項目曾榮獲「南京市企業管理現代化創新成果一等獎」。趙先生在加入本集團前，曾在大型多元化控股集團擔任高管職務，彼在企業管理、戰略與信息管理等领域擁有豐富經驗。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷（註）



Mr. CAI Ning, aged 32, a director of investment of the Group, joined the Group since March 2015. Mr. Cai graduated from Zhongnan University of Economics and Law and holds a Bachelor's degree in economics. Before joining the Group, Mr. Cai served as an executive in several sizable listed companies and was responsible for the implementation of a number of major investment and acquisition projects. He has extensive experiences in strategic mergers and acquisitions abroad, project management of overseas greenfield investments, cross-border operational managements and business negotiations, etc.

蔡寧先生，32歲，集團投資總監，自二零一五年三月起加入本集團。蔡先生畢業於中南財經政法大學，獲經濟學學士學位。蔡先生加入本集團之前曾在多家大型上市公司擔任高管職位，負責過多個重大投資與收購專案的實施，彼於海外戰略收購合併、海外創建投資項目管理、跨國經營管理、商業談判等方面擁有豐富的經驗。



Mr. CHEN Cong, aged 33, head of the CEO's Office of the Group, joined the Group since January 2013. Mr. Chen graduated from Tsinghua University with a Master's degree in finance. Before joining the Group, Mr. Chen worked in a leading domestic investment bank for several years. He has extensive experiences in the field of capital operation.

陳聰先生，33歲，集團CEO辦公室主任，自二零一三年一月起加入本集團。陳先生畢業於清華大學，獲金融學碩士學位。陳先生在加入本集團前，曾在一家國內領先的投資銀行任職多年，在資本運作領域擁有豐富經驗。

Note: Information contained in this section was up to 31 March 2015

附註：此部份所載資料乃截至二零一五年三月三十一日止

Corporate governance refers to the rules and incentives by which the management of a company is directed and controlled to maximize the profitability and long-term value of the firm for shareholders while taking into account the interest of other legitimate stakeholders (UK Cadbury Report 1992). The Board recognizes the importance and benefits of good corporate governance practices and has adopted certain corporate governance and disclosure practices aiming at a high level of transparency and accountability. The Company is committed to continuously improving its corporate governance practices as part of its own corporate culture.

CORPORATE GOVERNANCE

Throughout the financial year, 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, Chairwoman 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 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 and Non-executive Director 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.

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code but about promoting and developing an ethical and healthy corporate culture. The Directors will continue to review and, where appropriate, improve the current practices of the Company on the basis of the experience and regulatory changes to enhance the confidence of shareholders of the Company, and to safeguard shareholders' interest for assuring healthy business developments.

企業管治乃引導及監控公司管理層之規則及動力，以為股東取得已兼顧其他合法持份者之權益的最大企業盈利及長期價值（英國Cadbury報告1992）。董事會重視良好企業管治常規之重要性及益處，並已採納若干企業管治及披露常規，力求提高透明度及問責水平。本公司將不斷致力於提升企業管治作為本身企業文化之一部份。

企業管治

於本財政年度內，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。本公司董事會主席兼執行董事朱林瑤女士自二零一三年四月九日起兼任首席執行官職務。由於董事會定期舉行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及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。

提升企業管治水平並非僅為應用及遵守企業管治守則，乃為推動及發展具道德與健全的企業文化。為保證業務健康發展，董事將按經驗及監管條例之變動，持續檢討並在適當的情況下提升本公司之現行常規，以加強本公司股東信心和保障股東利益。

Corporate Governance Report

企業管治報告

Changes in Information in respect of Directors

In accordance with Rule 13.51B(1) of the Listing Rules, the changes in information required to be disclosed by directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) subsequent to the date of the Interim Report as of 30 September 2014 of the Company are set out below:

Mr. POON Chiu Kwok was appointed as an independent non-executive director of Magnum Entertainment Group Holdings Limited with effect from 15 May 2015.

THE BOARD

Board Composition

The Company has a well-balanced Board. The Board comprises four Executive Directors, one Non-executive Director and four INEDs. The members of the Board are as follows:

Executive Directors

Ms. CHU Lam Yiu	(Chairwoman and CEO)
Mr. XIA Li Qun	(President and CFO)
Mr. POON Chiu Kwok	(Company Secretary)
Mr. WANG Guang Yu	

Non-executive Director

Mr. LAM Ka Yu

Independent Non-executive Directors

Dr. DING Ningning
Mr. LEE Luk Shiu
Ms. MA Yun Yan
Mr. WU Chi Keung

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，於本公司截至二零一四年九月三十日止之中期報告日期之後的董事資料變動載列如下：

潘昭國先生獲委任為Magnum Entertainment Group Holdings Limited之獨立非執行董事，自二零一五年五月十五日起生效。

董事會

董事會成員

本公司有一個全面化的董事會。董事會由四名執行董事、一名非執行董事和四名獨立非執行董事組成。董事會成員如下：

執行董事

朱林瑤女士	(主席兼首席執行官)
夏利群先生	(總裁兼財務總監)
潘昭國先生	(公司秘書)
王光雨先生	

非執行董事

林嘉宇先生

獨立非執行董事

丁寧寧博士
李祿兆先生
麻雲燕女士
胡志強先生

There is no relationship (including financial, business, family or other material relationship) between any members of the Board, except for Ms. CHU Lam Yiu is the mother of Mr. LAM Ka Yu (the Non-executive Director of the Company). Biographies of the Directors are set out on pages 51 to 55 of this annual report. The present Board has experience, expertise, and qualifications in aspects of production, management, accounting and finance, legal and regulatory both in Hong Kong and China. Two out of four INEDs possess recognized professional qualification in accounting. The INEDs bring independent judgment, professional knowledge and experience appropriate for the Board's deliberations. All Directors have relevant qualifications in relevant field of expertise and have exhibited personal and professional ethics and integrity. The diversity of experiences and backgrounds enables the Board to enhance better corporate governance and performance standard and to bring in valuable contributions and objective advices for the development of the Group's businesses.

During the year ended 31 March 2015, the Board met the requirements of the Listing Rules relating to the appointment of independent non-executive directors representing at least one-third of the board, with at least one independent non-executive director possessing appropriate qualification, or accounting or related financial management expertise (in compliance with Rule 3.10 of the Listing Rules). The Company has received, from each of the INEDs, an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the INEDs are considered to be independent pursuant to the Listing Rules.

Chairwoman and Chief Executive Officer

Ms. CHU Lam Yiu is the Chairwoman of the Board and Executive Director of the Company. She took up the position of CEO since 9 April 2013. Ms. Chu has extensive experience in business operation and strategic planning. The Board believes that Ms. Chu by taking up the roles of the Chairwoman and CEO concurrently, is beneficial to the business development and management of the Group.

Since the adjustment of senior management structure of the Company last September, Ms. CHU Lam Yiu acts as Chairwoman of the Board (responsible for the management of Board operation and development of the Group's strategic planning) and CEO (responsible for important management and business decisions making of the Company); Mr. XIA Li Qun as President, responsible for the daily operational management of the Group and report to the CEO directly.

董事會成員之間並無任何關係（包括財務、業務、家屬或其他重大關係），除了朱林瑤女士及林嘉宇先生（本公司非執行董事）為母子關係。董事履歷載於本年報第51頁至第55頁。現時之董事會於生產、管理、會計及金融、法律以及香港和中國規管方面具有經驗、專長及資格。四名獨立非執行董事當中兩名擁有認可的會計專業資格。獨立非執行董事為董事會議事提供適當專業的知識、經驗及獨立判斷。所有董事在其專業範圍內擁有相關資歷，並顯示了個人專業操守和誠信。董事會的多元化經驗及背景可提升良好企業管治表現及標準，並為本集團業務發展帶來寶貴貢獻及客觀建議。

於截至二零一五年三月三十一日止年度內，董事會符合上市規則有關委任佔董事會成員人數至少三分之一的獨立非執行董事，並且其中至少一名獨立非執行董事須具備適當的專業資格，或具備相關適當的會計或相關的財務管理專長之規定（遵守上市規則第3.10條的規定）。根據上市規則第3.13條，本公司已獲得各獨立非執行董事之年度獨立性確認書。董事會已評估彼等之獨立性，並認為全體獨立非執行董事根據上市規則均被視為獨立。

主席與首席執行官

朱林瑤女士為本公司董事會主席兼執行董事，彼自二零一三年四月九日起兼任首席執行官職務。朱女士於企業營運和策略規劃方面具有豐富經驗，董事會相信朱女士同時出任主席及首席執行官之職，有利於本集團的業務發展及管理。

自本公司高層管理架構於去年九月作出調整後，朱林瑤女士作為董事會主席（負責領導董事會的運作及本集團的戰略規劃）及兼任首席執行官（負責本公司重大管理及業務決策）；夏利群先生兼任總裁，負責本集團日常營運管理工作，並直接向首席執行官匯報。

There are guidelines setting out the authority and duties of the Chairwoman and the CEO, details of which were set out in the Corporate Governance Report of the Company's annual report from year 2007/2008 to year 2012/2013. With the support of the President, the Company Secretary and the Qualified Accountant, the Chairwoman shall ensure that all Directors are properly briefed on issues arising at board meetings and receive adequate, complete, reliable and timely information for making decisions. Apart from the above, the Chairwoman is also responsible for the duties as specified in code provisions A.2.4 to A.2.9 of the CG Code.

Roles and Responsibilities of Directors

The primary objective of the Board is to maximize the profit of the Company and to safeguard and enhance long-term value of the Company for the shareholders. To this end, the Board assumes the responsibilities for leadership and control of the Company and oversees the businesses, strategic development direction, financial performance and corporate governance of the Group. All new board members have been given information on the general business background and policy of the Company on joining the board. All Directors have been provided with regular trainings by external experienced lawyers to update and refresh the applicable legal and other regulatory requirements and enhance the knowledge and skills required from Directors to perform their duties.

The Board, led by the Chairwoman, is collectively responsible for formulating and approving the business strategies of the Company, setting objectives for management, overseeing its performance and assessing the effectiveness of management strategies.

The Executive Directors are responsible for the day-to-day management of the Company's operations and conduct meetings with senior management of the Group at which operational issues and financial performance are evaluated.

The bye-laws of the Company set out the responsibilities and proceedings of the Board. Significant operational policies have to be discussed and approved by the Board. To enable the Directors to meet their obligations, an appropriate organizational structure is in place with clearly defined responsibilities and limits of authority.

The Company has arranged appropriate insurance cover for the Directors and senior management of the Company in respect of legal action against them in the course of execution of their duties in good faith.

主席與首席執行官之權力及職責訂有指引，詳情已刊載於本公司二零零七／二零零八年度至二零一二／二零一三年度之年報內的企業管治報告。主席於總裁、公司秘書及合資格會計師的支持下，須確保所有董事就於董事會會議提出的事項得到適當說明，並獲得充足完整、可靠和及時的資料以作出決策。除上述外，主席亦負責企業管治守則條文第A.2.4至A.2.9條指定之職務。

董事的角色和責任

董事會之主要目的乃為股東創造本公司最大利潤及提高和保護其長期價值。為此，董事會負有領導和控制本公司，監察本集團業務及策略發展方向、財務表現和企業管治的責任。所有加入董事會的新成員均獲有關本公司一般業務背景和政策之資料。全體董事均獲經驗豐富的外聘律師提供定期培訓，以更新適用法規及監管規定要求和增進董事履行職責時所需的知識技能。

在主席領導下，董事會集體負責制定審批公司的業務策略、為管理層設立目標、監督業務表現和評估管理策略的有效性。

執行董事負責公司日常業務管理。彼等與集團的高級管理人員開會，評估各項業務運作及財務表現。

本公司之公司細則載有關於董事會責任及議事程序的條文。重大業務政策均須經董事會討論和審批。為確保董事履行職責，公司設有適當的組織架構和清晰的責任和權限。

本公司已就董事及本公司之高級管理層，在真誠善意地執行職責時可能招致任何法律訴訟，為彼等安排適當保險保障。

Board Meetings

The Board conducts scheduled board meetings on a quarterly basis to discuss strategies and business issues, including financial performance of the Group. Details of attendance of the Directors at the physical meetings are set out on page 80 of this annual report.

Notices of board meeting are given to each member of the Board at least 14 days prior to the meeting, whereby the Director can put forward his/her proposed items into the agenda. The agenda and the relevant board papers are then circulated to the Directors at least 3 days before a board meeting is convened to enable them to make informed decisions at the meeting.

Drafts of the board minutes and board committee meeting minutes are circulated to all Directors and the relevant board committee members respectively for their review and comments before finalization. The final version of these minutes will be kept by the Company Secretary and are open for inspection by the Directors and committee members. If a Director has an interest in a matter to be considered at a board meeting, the Board will ensure that an adequate number of independent directors are involved in the consideration of the relevant resolutions, and the relevant director(s) having an interest in the matter will abstain from voting.

Every Director is entitled to have access to Board papers and relevant materials and have unrestricted access to advice and services of the Company Secretary/Legal Department of the Company with a view to ensuring that board procedures and all applicable rules and regulations are followed. Directors are able to seek independent professional advice as and when required at the Company's expense. INEDs are encouraged to take an active role in board meetings and serve on the sub-board committees.

During the financial year, the Chairwoman has held a meeting with the INEDs without the presence of Executive Directors.

Directors' Appointment and Re-election

Although all the Directors were not appointed for a specific term, every Director shall, in accordance with bye-law 87 of the Company, retire from office by rotation no later than the third AGM of the Company since their last appointment or re-election and are eligible for re-election.

董事會會議

董事會每季舉行預定的董事會會議，討論政策和業務事宜，包括本集團業務表現。董事出席會議的紀錄載於本年報第80頁。

本公司會在會議舉行前最少十四日向各董事會成員派發董事會會議通告，而董事可將其建議項目加入會議議程。會議議程及有關會議文件會在董事會會議舉行前最少三日供董事傳閱，以便彼等在會上作出知情決定。

董事會及董事委員會會議記錄初稿於定稿前分別會提交董事及有關董事委員會成員審閱和表達意見，會議紀錄最後版本由公司秘書保管，可供所有董事及委員會成員查閱。如個別董事在董事會會議擬考慮的事項中存有利益，該（等）董事需放棄投票，董事會將確保有足夠的獨立董事參與會議並作出決策。

各董事均有權查閱董事會文件及有關資料，以及不受限制地取得公司秘書／本公司法務部門的意見及服務，確保董事會程序及所有適用規則及規例均獲得遵守。董事亦可在有需要時徵求獨立專業意見，有關費用由本公司支付。本公司鼓勵獨立非執行董事積極參與董事會會議，並擔任董事會轄下委員會委員。

於本財政年度內，主席已與獨立非執行董事舉行一次沒有執行董事出席的會議。

董事之委任和重選

雖然所有董事的委任均沒有指定任期，根據本公司之公司細則第87條，所有董事須於其上次獲委任或重選後不超過第三屆本公司股東週年大會上輪值告退，並符合資格膺選連任。

Directors' Interests and Securities Transactions

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 to 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 financial year. Full details of the Directors' interests in the shares are set out on page 91 of this annual report.

Delegation of Directors

The Board may from time to time delegate all or any of its powers that it may think fit to a director or member of senior management of the Company. The Board has formulated specific rules and policies on such delegation of power to facilitate efficient operation of the Company and is supported by three committees which are Remuneration Committee, Audit Committee and Nomination Committee.

BOARD COMMITTEES

The Company has maintained the Remuneration Committee, Audit Committee and Nomination Committee. Each of these committees has specific written terms of reference which deal clearly with their authority and duties. The chairman of the committees will report their findings and make recommendations to the Board after each meeting.

Remuneration Committee

The Remuneration Committee consists of three INEDs, namely Mr. LEE Luk Shiu (the chairman of Remuneration Committee), Ms. MA Yun Yan, Mr. WU Chi Keung, and an Executive Director, Mr. XIA Li Qun.

董事權益和進行證券交易

本公司已採納標準守則，作為董事進行本公司證券交易的操守準則。經向全體董事作出特定查詢後，本公司已收到全體董事之書面確認彼等在整個財政年度內已遵守標準守則所規定之標準。董事權益詳情載列於本年報第91頁。

董事的委託

董事會亦可不時將其所有或任何權力授予其認為適當的本公司董事或高級管理層成員。董事會在薪酬委員會、審核委員會及提名委員會三個委員會支持下就有關授權制定清晰明確的規則及政策，使本公司更有效地營運。

董事委員會

本公司設有薪酬委員會、審核委員會和提名委員會。各委員會已訂明書面職權範圍，清晰確定其責任和授權。委員會主席在每次會議後向董事會匯報和作出建議。

薪酬委員會

薪酬委員會由三名獨立非執行董事，即李祿兆先生（為薪酬委員會主席）、麻雲燕女士和胡志強先生，連同一名執行董事夏利群先生組成。

The Remuneration Committee's responsibilities include making recommendations for approval by the Board with respect to matters relating to the remuneration of Executive Directors and senior management. The terms of reference of the Remuneration Committee was published on the Company's website at www.hbglobal.com and on the Stock Exchange's website at www.hkexnews.hk. In discharging its responsibilities, the Remuneration Committee has performed the following works:

- To review and make recommendations on the Company's policies and structure for the remuneration of the Executive Directors and senior management;
 - To evaluate remuneration packages of the Executive Directors by reference to market conditions, performance of the Group and the individual and corporate goals and objectives as set by the Board from time to time, and make recommendations on the remuneration of the INEDs for the Board's approval; and
 - To review and evaluate the Company's Share Option Scheme.
- 檢閱本公司之執行董事及高級管理層之薪酬政策及架構並作出推薦意見；
 - 參考市場水平、本集團業務表現及董事會不時訂立之個別及企業目標及目的，評估執行董事之薪酬組合，並就獨立非執行董事之薪酬作出推薦意見以備董事會通過；及
 - 審閱及評估本公司之購股權計劃。

Directors will abstain from voting in determining their own remuneration packages. During the year ended 31 March 2015, the Remuneration Committee met three times regarding the emolument packages of the Directors and senior management and the remuneration package of Mr. XIA Li Qun for taking up the position of President of the Company. The individual attendance of Remuneration Committee members at meetings is set out on page 80 of this annual report. Details of the emolument of the Directors are set out in Note 26 to the consolidated financial statements while details of the Share Option Scheme and the share options granted to the Directors and senior management are set out on pages 87 to 89 of this annual report.

Audit Committee

The Audit Committee comprises four INEDs, namely Mr. LEE Luk Shiu (the chairman of Audit Committee), Dr. DING Ningning, Ms. MA Yun Yan and Mr. WU Chi Keung.

薪酬委員會之主要職責包括就有關執行董事及高級管理層之薪金事宜向董事會作出推薦意見，以備董事會通過。薪酬委員會的職權範圍已刊登於本公司網站www.hbglobal.com和聯交所網站www.hkexnews.hk。為履行其職責，薪酬委員會已進行下列工作：

董事須就釐定彼等薪酬組合時放棄投票。於截至二零一五年三月三十一日止年度內，薪酬委員會就審閱董事和高級管理層之薪酬組合，以及夏利群先生兼任總裁之薪酬待遇召開三次會議。各薪酬委員會委員出席會議的紀錄載於本年報第80頁。董事之薪金詳情載於綜合財務報表附註26而購股權計劃詳情及授予董事和高級管理層之購股權亦載於本年報第87至第89頁。

審核委員會

審核委員會由四名獨立非執行董事，即李祿兆先生（為審核委員會主席）、丁寧寧博士、麻雲燕女士和胡志強先生組成。

Corporate Governance Report

企業管治報告

The principal responsibilities of the Audit Committee include assisting the Board in maintaining a high standard of corporate governance, developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board, particularly by providing independent review of the effectiveness of the Company's financial reporting process and material internal controls, including financial, operational, compliance and risk management controls and, to maintain good and independent communications with the management as well as auditors of the Company. The Audit Committee is also responsible for performing the corporate governance duties set out in the terms of reference under code provision D.3.1 of the CG Code as delegated by the Board. In discharging its responsibilities, the Audit Committee has performed the following work:

- To review the annual and interim financial statements and results announcements during the financial year;
- To discuss with the external auditors and the management on possible accounting risks;
- To review the effectiveness of the Group's financial controls, internal controls and risk management systems;
- To review the sufficiency of manpower for financial reporting purposes;
- To approve the audit fees and terms of engagement of the external auditors;
- To review the independence of the external auditors and make recommendations to the Board on the re-appointment of the external auditors; and
- To review and monitoring the Company's policies and practices on compliance with legal and regulatory requirements.

The Audit Committee meets regularly with the Company's external auditors to discuss various accounting issues, and reviews the effectiveness of internal controls. The terms of reference of Audit Committee was published on the Company's website at www.hbglobal.com and on the Stock Exchange's website at www.hkexnews.hk.

審核委員會主要職責為協助董事會維持高水平企業管治，制定及檢討本公司的企業管治政策及常規，並向董事會提出建議，尤其是就本公司的財務匯報體系之有效性和重大內部監控包括財務、運作、合規和風控提供獨立意見，以及與本公司管理層及核數師保持良好及獨立的溝通。審核委員會已獲董事會授權，負責履行載列於職權範圍內有關企業管治守則條文第D.3.1條之職能。履行其職責時，審核委員會已進行下列工作：

- 審閱財政年度內之全年及中期財務報表及業績公佈；
- 與外聘核數師及管理層就潛在會計風險作出討論；
- 檢討本集團之財務監控、內部監控及風險管理系統之有效性；
- 檢討處理財務匯報功能的人手是否充足；
- 批准外聘核數師之核數費用及委任任期；
- 審閱外聘核數師之獨立性及就續任外聘核數師向董事會作出推薦意見；及
- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規。

審核委員會定期與外聘核數師開會，討論各種會計問題，並審閱內部監控制度的成效。審核委員會的職權範圍已刊登於本公司網站www.hbglobal.com和聯交所網站www.hkexnews.hk。

During the year ended 31 March 2015, the Audit Committee met twice for reviewing the financial reports for 2013/2014 annual results and 2014/2015 interim results (including the Company's compliance with the CG Code and the contents disclosed in the Corporate Governance Report) and the effectiveness of the Group's internal controls system. The individual attendance of Audit Committee members at meetings is set out on page 80 of this annual report. Members of the Audit Committee were satisfied with the Company's internal control systems and the financial reporting disclosures.

Nomination Committee

The Nomination Committee comprises an Executive Director, Ms. CHU Lam Yiu (the chairwoman of Nomination Committee) and two INEDs, namely Dr. DING Ningning and Mr. LEE Luk Shiu.

The principal responsibilities of the Nomination Committee include formulating nomination policy for the Board's consideration and implementing the Board's approved nomination policy, considering the development targets and strategies of the Company and the skills mix needed in respect of the Board, and making recommendations to the Board on the appointment of directors and succession planning for directors. The terms of reference of the Nomination Committee was published on the Company's website at www.hbglobal.com and on the Stock Exchange's website at www.hkexnews.hk. In discharging its responsibilities, the Nomination Committee has performed the following work:

- To review the structure, size and composition of the Board and diversity of Board members, and make any proposed changes to the Board according to the Company's corporate strategy;
- To consider the development targets and strategies of the Company and the skills mix needed in respect of the Board, and make recommendations to the Board;
- To assess the independence of INEDs and review the INEDs' annual confirmations on their independence; and make disclosure of its review results in the Corporate Governance Report;
- To review the time required from a Director to perform his/her responsibilities; and
- To make recommendations to the Board on the appointment or re-appointment of directors.
- 檢討董事會的架構、人數、組成及成員的多元化，並按公司的企業策略向董事會提出任何改動建議；
- 考慮公司發展目標策略及董事會所需的技能組合，然後向董事會提出建議；
- 評核獨立非執行董事的獨立性及審視獨立非執行董事就其獨立性而作出的年度確認；並在《企業管治報告》內披露檢討結果；
- 檢討董事履行其責任所需付出的時間；及
- 就董事的委任或重新委任向董事會提出建議。

於截至二零一五年三月三十一日止年度內，審核委員會舉行兩次會議以審閱二零一三／二零一四年度之全年業績及二零一四／二零一五年度之中期業績（包括本公司遵守企業管治守則情況和於企業管治報告中披露的內容）以及檢討本集團之內部監控系統之有效性。各審核委員會委員出席會議的紀錄載於本年報第80頁。審核委員會委員對本公司之內部監控系統和財務報告的披露表示滿意。

提名委員會

提名委員會由一名執行董事，朱林瑤女士（為提名委員會主席）和兩名獨立非執行董事，即丁寧寧博士和李祿兆先生組成。

提名委員會之主要職責為制定提名政策供董事會考慮，並執行經董事會批准的提名政策，考慮公司發展目標策略和董事會所需的技能組合，以及就董事委任和董事的繼任計劃向董事會提出建議。提名委員會的職權範圍已刊登於本公司網站www.hbglobal.com和聯交所網站www.hkexnews.hk。履行其職責時，提名委員會已進行下列工作：

Board Diversity Policy

The Company adopted a board diversity policy in September 2013 (the "Policy") which sets out the approach to achieve diversity on the board by considering a number of factors and measurable objectives, including without limitation, gender, age, cultural and educational background, professional skills, knowledge, experience and length of service, in order to maintain an appropriate range and balance of talents, skills, experience and background of the Board. Appointments of Board members shall be based on merit, and candidates will be assessed based on objective criteria. The Company will also take into account factors based on its own business model and specific needs from time to time. The Nomination Committee will monitor the implementation of the Policy; review the Policy from time to time, as appropriate; report to the Board on their decisions or propose recommendations on any amendments for the Board's review and approval, to ensure the effectiveness of the Policy.

During the year ended 31 March 2015, the Nomination Committee met two times for reviewing the board structure, the diversity of Board members and the commitment of Directors (including considering the appointment of Mr. XIA Li Qun as President of the Company), and making recommendations to the Board. The Nomination Committee considered that the composition of the Board is well balanced and diversified in terms of gender, age, educational background, professional skills and experience. It meets with the needs of the business operations and development of the Group. The Board is of the view that every Director has dedicated sufficient time and attention to the affairs of the Company. Each Director had disclosed to the Company at the time of his/her appointment the directorships held in other listed companies or nature of offices held in public organizations and other significant commitment. The Company has also requested Directors to provide in a timely manner any change in such information. The individual attendance of Nomination Committee members at meetings is set out on page 80 of this annual report.

董事會成員多元化政策

本公司於二零一三年九月採納之董事會成員多元化政策(本「政策」)載列董事會為達致成員多元化而採取的方針，當中會考慮多項因素及可計量目標，包括但不限於性別、年齡、文化及教育背景、專業技能、知識、經驗及服務任期方面，以確保董事會的才能、技能、經驗及背景有恰當的比重及權衡。董事會成員的委任均以用人唯才為原則，在考慮人選時以客觀條件進行評估，本公司亦會根據本身的業務模式及與時並進的特定需要去考慮各種因素。提名委員會將監察本政策的執行，在適當時候作出檢討，向董事會匯報其討論決定或提出任何修訂建議，並交由董事會審批，以確保本政策持續有效。

於截至二零一五年三月三十一日止年度內，提名委員會就檢討董事會的架構、成員的多元化和董事履行職務的情況召開兩次會議(包括委任夏利群先生為總裁)，並向董事會提出建議。提名委員會認為董事會的組成結構平衡得宜，不論在性別、年齡、教育背景、專業技能及經驗上均呈現多元化，亦配合集團的業務運作及發展需求。董事會確認每名董事均已投入足夠時間及精神處理公司之事務。每名董事於接受委任時均會向公司披露於其他上市公司之董事職務或於公眾組織所擔任之職位以及其他重大承擔。公司亦已要求董事適時向公司提供該等資料之任何變動。各提名委員會委員出席會議的紀錄載於本年報第80頁。

INTERNAL CONTROL

The Board has full responsibility for maintaining an integrated and effective internal control system of the Group, which includes the establishment of a defined management structure with specified limits of authority. The system is designed to assist in the achievement of business objectives of the Group, safeguarding assets against unauthorized use or disposition, ensuring the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication and ensuring compliance with relevant legislation and regulation. The internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The system (embedded in the operations of the Company and forms part of the Company's culture) includes:

- effectiveness and efficiency of operations;
- capability in responding quickly to evolving risks to the business arising from factors within the company and to the change in business environment; and include procedures for reporting immediately to appropriate management levels regarding any significant control weakness that are identified together with details of corrective action being undertaken;
- reliability of financial reporting; and
- compliance with applicable laws and regulations.

The key procedures that the Board established to provide effective internal controls are as follows:

Organizational Structure

An appropriate organizational structure is in place with defined operating policies and procedures as well as responsibility and lines of authority.

Authority and Control

The executive directors and senior management are delegated with respective levels of authorities to carry out the corporate strategies and policies and related matters formulated by the Board.

Budgetary Control and Financial Reporting

The Group implements budget management and the financial budget is executed upon approval by the Board. Relevant procedures have been established to assess, review and approve major capital and recurring expenditures, and regular review and comparison between operating results and the budget are made.

內部監控

董事會全權負責維持健全和有效的集團內部監控系統，包括制定管理層架構及其相關之權限。內部監控系統旨在協助達成本集團業務目標、保護資產以防未經授權之使用或處理、確保正確會計紀錄得以保存以便提供可靠的財務資料供內部使用或對外發放，並確保遵守相關法例與規則。內部監控系統旨在為無重大失實陳述或損失提供合理的、非絕對的保證。該系統已嵌入本公司營運和成為其文化之一，包括：

- 營運的效益及效率；
- 能對由本公司內在因素所產生的業務風險及對營商環境的改變迅速作出反應，並包括向合適的管理層即時匯報經確認的任何重大監控弱點，及應採取的糾正行動的程序；
- 財務報告的可靠性；及
- 遵守適用的法律和法規。

董事會為有效的內部監控已設立的主要程序，如下：

組織結構

設有適當的組織結構和明確的營運政策和程序以及責任和授權。

授權和監控

授予執行董事和管理層適當的權力執行企業政策及策略和董事會制定的相關事項。

預算控制和財務匯報

本集團實施預算管理和財務預算，經董事會批准後執行。已設有相關程序評估、檢討和批准重大經常性資本支出，和定期比較預算與經營業績。

Corporate Governance Report

企業管治報告

The Group has established appropriate internal control procedures to ensure accurate and complete accounting and management records are kept on a timely basis. Examination and review are carried out regularly to ensure that the financial statements are properly prepared in conformity with the generally accepted accounting principles, the Group's accounting policies and the applicable laws and regulations.

Risk Management

The Group has Legal Department which is led by professional legal staff, together with other business functions (including Internal Audit Department) to monitor and assess risk regularly, boost related management standards and evaluate investment projects.

Internal Audit

The Company has set out internal audit team with scope of works advised by the Audit Committee shortly after a review on its internal control system by an external independent expert in 2008.

Internal Control Review

During the reporting period, the internal audit team had carried out an annual review on the internal control system including financial, operational and compliance control, and risk management functions. The review adopts a risk-based approach to create and review the effectiveness of an internal control system and includes the following work:

- (i) To follow up the enhancement progress in response to the previous recommendations from an external independent expert in respect of internal control system;
- (ii) To carry out a high level review on the internal control system of new members/businesses of the Group under the principles set out by The Committee of Sponsoring Organizations of the Treadway Committee ('COSO') covering major control aspects; and
- (iii) To arrange site visit and perform focused walk through test on the internal control system of members of the Group on a selective basis pursuant to the principles of COSO.

本集團設有適當的內部監控程序確保按時準確地和完整地記錄財務會計賬目。定期檢查和檢討確保會計賬目按一般公認會計原則、本集團會計政策和適用的法律規則等記帳。

風險管理

本集團設法務部，其中以專業法務人員為首，連同其他業務部門（包括內部審計部門），定期監測和評估風險、提升相關管理水平和評估投資項目。

內部審計

於二零零八年外聘獨立顧問檢討內部監控系統不久後，本公司設立內部審計組，其工作範疇經由審核委員會建議。

內部監控評估

於報告期內，內部審計組對內部監控系統（包括財務、營運和合規監控和風險管理功能）進行評估。評估採用風險導向方式塑造和檢討內部控制系統成效，包括下列工作：

- (i) 回應過往外部獨立專家的意見，跟進提升內部監控系統的進度；
- (ii) 根據The Committee of Sponsoring Organization of the Treadway Committee (「COSO」) 所訂之原則，當中包括檢討各重大之監控範疇，對集團新成員或業務的內部監控系統進行高層次檢查；和
- (iii) 隨機到訪本集團之廠房和根據COSO的原則對其內部監控系統進行專項穿行測試。

Internal audit team has presented their review report and make recommendations to the Audit Committee and the Audit Committee has discussed with the management and reported the progress of the work plan and related findings, particularly those related to new group members to the Board at board meeting during the financial year. In general, the Board considers that the internal control systems of the Group are generally effective (including the resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions are adequate).

Internal Control System and Corporate Governance enhancement

In compliance with the requirements of the Listing Rules and for the purpose of reinforcing the Group's internal control system, the Company has established a whistleblowing policy and system for employees to raise concerns, in confidence, with the Audit Committee about possible irregularities in financial reporting, internal control or other matters related to the Company. The Audit Committee is responsible for reviewing the relevant policy and system regularly.

The Directors has strengthened corporate governance practices, including formalization of the reporting practice throughout the Group in monitoring the operation and business developments of the Company so as to capture potentially price-sensitive information on an on-going basis, monitoring the continuing disclosure obligation. The Board has further strengthened corporate governance practices by establishing lending policy to monitor its credit level. In addition, Herbert Smith Freehills, the retained legal counsel of the Company, has provided the Directors (existing and new board members) and the relevant senior executives with training on Listing Rules, regulatory requirements and cases of enforcement at least twice a year.

於本財政年度內，內部審計組直接向審核委員會提交其評估報告和建議，審核委員會已與管理層討論，並在董事會會議上向董事會提交其工作計劃進展和相關發現，尤其是關於本集團新成員。整體而言，董事會認為本集團之內部監控系統大致上有效（包括本公司在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是足夠的）。

內部監控制度及企業管治提升

為符合上市規則要求及進一步完善本集團的內部監控制度，本公司已設立舉報政策和系統，讓僱員可暗中向審核委員會就有關本公司之財務匯報、內部監控或其他方面的違規事宜提出關注，而審核委員會負責定期檢討有關政策及系統。

董事會已進一步加強企業管治常規，包括監控本集團營運和業務發展的內部匯報實施制度，以便按月記錄潛在股價敏感資料，監察持續披露責任。董事會進一步提升企業管治常規就對外貸款制定政策監測借貸水平。此外，本公司常年法律顧問史密夫斐爾律師事務所每年至少兩次為董事（原有及新加入的董事）和相關高級管理層提供上市規則、法規要求和執法個案的培訓。

Corporate Governance Report

企業管治報告

Directors' Training

All Directors participated in appropriate continuous professional development and provided the Company with their records of training they received for the period from 1 April 2014 to 31 March 2015. Directors participated in the training which included reading regulatory updates, attending seminars or conducting training sessions and exchanging views.

董事培訓

於二零一四年四月一日至二零一五年三月三十一日止期間內，所有董事均已參與合適之持續專業發展，並已向公司提供所接受培訓之紀錄。董事參與的培訓，包括閱讀最新監管資料，以及出席專題研討會或作培訓交流。

Executive Directors

Ms. CHU Lam Yiu

Mr. XIA Li Qun

Mr. POON Chiu Kwok

Mr. WANG Guang Yu

執行董事

朱林瑤女士

夏利群先生

潘昭國先生

王光雨先生

Non-executive Director

Mr. LAM Ka Yu

非執行董事

林嘉宇先生

Independent Non-executive Directors

Dr. DING Ningning

Mr. LEE Luk Shiu

Ms. MA Yun Yan

Mr. WU Chi Keung

獨立非執行董事

丁寧寧博士

李祿兆先生

麻雲燕女士

胡志強先生

Attend seminars/
conduct training
sessions and
exchange views
出席專題研討會/
作培訓交流

Yes 有

Yes 有

Yes 有

Yes 有

Yes 有

Yes 有

Yes 有

Yes 有

Yes 有

Company Secretary's Training

Mr. POON Chiu Kwok, the Executive Director, Vice President and Company Secretary of the Company is responsible for assisting the Board for facilitating communications among Directors as well as ensuring that the Board's policy and procedures are followed properly. The Company Secretary also provides professional advice and services to the Board on corporate governance and other matters. He is also responsible for organizing general meetings and facilitating the induction and professional development of Directors.

公司秘書培訓

本公司執行董事、副總裁兼公司秘書潘昭國先生負責協助董事會，確保董事會成員之間有良好交流溝通及董事會之政策和程序得到適當的遵循。公司秘書亦向董事會提供企業管治事宜等各方面之專業意見及服務，並負責舉行公司股東大會事宜，以及安排董事之入職培訓及專業發展。

During the year ended 31 March 2015, the Company Secretary has obtained over 15 hours of relevant professional training.

截至二零一五年三月三十一日止年度內，公司秘書已獲得超過15小時之相關專業培訓。

ACCOUNTABILITY AND AUDIT

Directors' Responsibility in Preparing Financial Reporting

The Board is responsible for the preparation and timely publication of financial statements. In preparing the financial statements, relevant statutory requirements have been complied with, applicable accounting standards in force in Hong Kong have been adopted, appropriate accounting policies have been applied on a consistent basis, going concern basis has been adopted and reasonable and prudent judgments and estimates have been made.

Auditors' Statement and Remuneration

The external auditors have a primary responsibility for auditing and reporting on the financial statements and the Auditors' Report to the Shareholders is set out on pages 97 to 98 of this annual report.

During the financial year, the remuneration paid/payable to the Company's auditors (including statutory auditors of the subsidiaries) in relation to audit services and non-audit services provided to the Group are as follows:

Nature of Services	服務性質	Amount 金額 (HK\$'000) (港幣千元)
Audit services	核數服務	
– for the audit of the Group	– 集團審計	6,659
– for the statutory audits of the major PRC subsidiaries	– 主要國內子公司法定審計	1,701

Please also refer to Note 25 to consolidated financial statement set out on page 173 of this annual report for details of Auditors' Remuneration.

問責和審核

董事編製財務報表的責任

董事會負責編製並準時刊發財務報表。編製財務報表時，合理及謹慎地判斷及估算以確保有關法律法規已獲遵守，香港現行的適用會計準則已獲採納，適當的會計政策持續地予以應用以及持續經營基準已獲確認。

核數師聲明和酬金

核數師主要職責為就財務報表核數及作出報告，致股東之核數師報告載於本年報第97至98頁。

於本財政年度內，就本公司核數師（包括附屬公司法定的核數師）向本集團提供之核數及非核數服務，已付／應付核數師之費用如下：

核數師酬金詳情請參考載於本年報第173頁綜合財務報表附註25。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS

Shares with voting rights in the Company are ordinary shares. The number of issued ordinary shares as at 31 March 2015 was 3,104,317,961. Details of share capital of the Company are set out in Note 18 of Notes to the consolidated financial statements on page 166 of this annual report. Shareholders holding issued ordinary shares of the Company were set out below:

股東權利

賦有投票權的股份均為本公司普通股股份。於二零一五年三月三十一日，已發行普通股股份數目為3,104,317,961股。本公司股本詳情載於本年報第166頁綜合財務報告附註18內。持有本公司已發行普通股之股東如下：

Category/Name	類別／名稱	Full details can be found on the following page of this report 詳細資料載於本年報以下頁數	Total number of issued Shares held 合共持有已發行股份數目	Percentage of the issued share capital 佔已發行股本百分比
Ms. CHU Lam Yiu (Note 1)	朱林瑤女士 (附註1)	page 91第91頁	1,219,813,415	39.29%
Directors of the Company	本公司董事	page 91第91頁	8,250,000	0.27%
Substantial Shareholders (Note 2)	主要股東 (附註2)	page 92第92頁	588,062,875	18.94%
			1,816,126,290	58.50%
Public	公眾人士		1,288,191,671	41.50%
Total	合計		3,104,317,961	100.00%

Notes:

- As defined in the Listing Rules, any person (including a holder of depositary receipts) who is or group of persons (including any holder of depositary receipts) who are together entitled to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Codes on Takeovers and Mergers and Share Buy-backs as being the level for triggering a mandatory general offer) or more of the voting power at general meeting of the Company; and
- Pursuant to Section 336 of the SFO, corporations and/or persons hold interests or short positions in 5% or more of the issued share capital of the Company.

附註：

- 按上市規則釋義，任何有權在本公司股東大會上行使或控制行使30%（或《公司收購、合併及股份回購守則》不時規定會觸發強制性公開要約所需的其他百分比）或30%以上投票權的人士（包括預託證券持有人）；及
- 根據證券及期貨條例第336條，企業和／或人士持有本公司已發行股本5%或以上權益或淡倉。

Procedures for shareholders to convene a special general meeting

Pursuant to bye-law 58 of the bye-laws of the Company, shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a SGM to be called by the Board for the transaction of any business transaction specified in such requisition.

股東召開股東特別大會的程序

按本公司之公司細則第58條，於遞呈要求之日期持有不少於賦有本公司股東大會表決權之本公司繳足股本十分之一之股東，於任何時候均有權透過向董事會或本公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明之任何事項。

The requisition shall state clearly the matters required to be considered and approved at the SGM and must be signed by the requisitioner(s) (with contact details) and submitted to the Board in written form to the Company's principal place of business in Hong Kong at least 21 days before the proposed date of the SGM.

The SGM shall be held within 2 months after the deposit of such requisition. If the Directors do not within 21 days from the date of the deposit of the requisition proceed to convene a meeting, the requisitionists may themselves do so in accordance with the provisions of Section 74(3) of the Companies Act 1982 of the laws of Bermuda (as amended) (the "Companies Act"), but any meeting so convened shall not be held after the expiration of 3 months from the said date.

Shareholders' right to propose resolutions at general meeting

Pursuant to Sections 79 and 80 of the Companies Act, (i) any number of shareholders representing not less than one-twentieth (5%) of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the general meeting to which the requisition relates; or (ii) not less than 100 shareholders, may submit to the Company a written request stating the resolution intended to be moved at AGM or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting.

The written request/statement must be signed by all the requisitionists and may consist of several documents in like form, each signed by one or more of the requisitionists, and must be deposited at the Company's principal place of business in Hong Kong, not less than 6 weeks before the AGM in case of a requisition requiring notice of a resolution or not less than one week before the general meeting in case of any other requisition. Provided that if an AGM is called for a date 6 weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

Shareholders' right to propose a person for election as a director

Shareholders shall have right to propose a person for election as a director at the Company's general meeting. Please refer to the detailed procedures for such right on the Company's website www.hbglobal.com.

有關要求須清楚列明擬於股東特別大會上考慮及批准的事項和聯絡詳情，並經遞呈要求人士簽署後以書面形式通知董事會，在建議召開股東特別大會日期至少二十一天前遞交至本公司於香港的主要營業地點。

股東特別大會應於遞呈該要求後兩個月內舉行。倘董事未能於接獲要求當日起計二十一天內召開該大會，遞呈要求人士可以按照一九八二年百慕達公司法（經修訂）（「公司法」）第74(3)條之規定召開該大會，惟據此召開的任何股東大會不得於遞呈要求當日起計三個月屆滿後舉行。

股東於股東大會上提呈議案的權利

根據公司法第79及80條，(i)於遞呈要求日期持有不少於全體股東總投票權（賦有於要求所涉股東大會上之投票權）二十分之一（5%）之股東（不論人數）；或(ii)不少於100名股東，可向本公司遞呈書面要求並列明擬於股東週年大會上動議的決議案，或就於特定股東大會提呈之任何決議案所述的事項或處理的事務作出不超過1,000字的書面陳述。

該書面要求／陳述必須由所有遞呈要求人士簽署（可由多份格式相似並各自經一名或多名遞呈要求人士之文件組成），並須於股東週年大會舉行前至少六個星期（如屬要求決議案通告的要求）或股東大會舉行前至少一個星期（如屬任何其他要求）前遞交至本公司於香港的主要營業地點。倘股東週年大會在該要求書遞交後六個星期或較短期間內召開，則該要求書雖然並非在指定時間內遞交，但就此而言，亦須當作已恰當地遞交。

股東建議人士參選董事的權利

股東有權於本公司股東大會上建議人士參選董事，有關權利的詳細程序可於本公司網站 www.hbglobal.com 上查閱。

Corporate Governance Report

企業管治報告

Making enquires

Shareholders shall have the right to examine the relevant information of the Company according to the Bye-laws. Shareholders should direct their questions about their shareholdings to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited. Shareholders may also direct questions or requests for information through the Company's website at www.hbglobal.com or by contacting the Head of Investor Relations Department of the Company (e-mail: ir@huabao.com.hk).

ACCESSIBLE AND TRANSPARENT COMMUNICATION WITH SHAREHOLDERS

In addition to the on-going Investor Relation Department's efforts to mention in the next section, the Board values the importance of communications with the shareholders. The Company uses a range of communications tools, such as AGM, annual report, various notices, announcements and circulars, to ensure its shareholders are kept well informed of key business imperatives.

The Company has maintained a website www.hbglobal.com which serves as a forum for corporate communication with its shareholders and the general public. All corporate communications required under the Listing Rules are displayed and can be achieved (for documents published in the previous 7 years) on the Company's website and there is established procedure to ensure timely update in compliance with the Listing Rules.

Open Communications

The Group is committed to acting in good faith and in the best interests of its shareholders at all times and in all areas of its operations. The Group actively promotes open communication and full disclosure of all information needed to protect and maximize transparency.

Shareholders' communication policy

The shareholders' communication policy is available for viewing on the Company's website at www.hbglobal.com.

Shareholders' Meetings held during the reporting period

The general meeting provides a forum for the Board to communicate with the Shareholders. To facilitate enforcement of the Shareholders' rights, significant issues were dealt with under separate resolutions at the general meeting, including the election and re-election of individual Director. Details of general meeting(s) held during reporting period are summarized as follows:

股東查詢

根據本公司之公司細則，股東有權查閱有關本公司之資料。若股東對其名下持股有任何問題，可向本公司之香港股份過戶登記分處卓佳登捷時有限公司提出。股東亦可透過本公司網站www.hbglobal.com或聯絡本公司之投資者關係部主管（電郵：ir@huabao.com.hk）作出提問或要求索取資料。

與股東緊密及具透明之溝通

除下文所述投資者關係部門持續努力的結果外，董事會重視與股東溝通的重要性。本公司採用多項溝通工具，包括股東週年大會、年報、各類通告、公告及通函等，確保股東明瞭公司的主要業務策略。

公司設有網站www.hbglobal.com，為股東及公眾人士提供一個論壇作公司通訊用途。上市規則規定的所有公司通訊（過去七年刊發的文件）均可於公司網站瀏覽及下載，公司亦已制訂程序確保資料的披露將會根據上市規則適時更新。

開明的溝通

本集團本著真誠原則，全方位為股東最佳利益而行事。本集團積極提倡開明的溝通，確保以最大透明度對各類所需資料進行全面披露。

股東通訊政策

本公司之股東通訊政策可於公司網站www.hbglobal.com上查閱。

於報告期內舉行的股東大會

股東大會為董事會與股東提供一個溝通論壇。為方便股東在股東大會上行使權利，重要事宜乃根據個別決議案於股東大會上處理，包括選舉及重選個別董事。於報告期內舉行之股東大會總括如下：

Meeting 會議	Date 日期	Venue 地點	Resolutions 決議案
AGM 股東週年大會	8 August 2014 二零一四年 八月八日	Falcon Room, Gloucester Luk Kwok, 72 Gloucester Road, Wanchai, Hong Kong 香港灣仔告士打道72號 六國酒店富萊廳	<ol style="list-style-type: none"> To receive and consider the audited financial statements and the reports of the directors and of the auditors for the year ended 31 March 2014; 省覽截至二零一四年三月三十一日止年度經審核財務報表、董事會報告及核數師報告； To declare final and special dividends for the year ended 31 March 2014; 宣派截至二零一四年三月三十一日止年度的期末及特別股息； To re-elect Directors and to authorize the Board to fix their remunerations; 重選董事，並授權董事會釐定彼等之酬金； To re-appoint the auditors and to authorize the Board to fix their remunerations; and 重新委任核數師，並授權董事會釐定其酬金； 及 To grant general mandates to buy back shares, to issue shares and to exercise the buy-back mandate. 授予一般授權以回購股份、發行股份及行使回購授權。

MERGERS & ACQUISITIONS

Details of the mergers and acquisitions of the Company carried out during the reporting period can be found on page 85 of this annual report.

CONTINUING CONNECTED TRANSACTIONS

Details of the continuing connected transactions of the Company can be found on pages 93 to 95 of this annual report.

收購合併

於報告期內，本公司收購合併詳情載於本年報第85頁。

持續關連交易

本公司之持續關連交易詳情載於本年報第93頁至95頁。

Corporate Governance Report

企業管治報告

ATTENDANCE RECORD

Details of attendance of the Directors (either in person or through telephone/video conferences) at board regular meetings, meetings of board committees and general meetings during the reporting period are set out below:

出席記錄

各董事於報告期內親自出席或透過電話／視像會議方式出席董事會會議、董事委員會會議及股東大會的出席率詳情載列如下：

		Board Regular Meetings 董事會定期會議	Audit Committee Meetings 審核委員會會議	Remuneration Committee Meetings 薪酬委員會會議	Nomination Committee Meetings 提名委員會會議	Annual General Meeting 股東週年大會
No. of meeting held	會議次數	8	2	3	2	1
Executive Directors	執行董事					
Ms. CHU Lam Yiu (Chairwoman and CEO)	朱林瑤女士 (主席兼首席執行官)	8/8	N/A不適用	N/A不適用	2/2	1/1
Mr. XIA Li Qun (President and CFO)	夏利群先生 (總裁兼財務總監)	8/8	N/A不適用	3/3	N/A不適用	1/1
Mr. POON Chiu Kwok (Company Secretary)	潘昭國先生 (公司秘書)	8/8	N/A不適用	N/A不適用	N/A不適用	1/1
Mr. WANG Guang Yu	王光雨先生	7/8	N/A不適用	N/A不適用	N/A不適用	1/1
Non-executive Director	非執行董事					
Mr. LAM Ka Yu	林嘉宇先生	6/8	N/A不適用	N/A不適用	N/A不適用	1/1
Independent Non-executive Directors	獨立非執行董事					
Dr. DING Ningning	丁寧寧博士	7/8	2/2	N/A不適用	2/2	1/1
Mr. LEE Luk Shiu	李祿兆先生	8/8	2/2	3/3	2/2	1/1
Ms. MA Yun Yan	麻雲燕女士	8/8	2/2	3/3	N/A不適用	1/1
Mr. WU Chi Keung	胡志強先生	8/8	2/2	3/3	N/A不適用	1/1

MAJOR CHANGES TO THE BYE-LAWS

During the financial year, the Company did not make any amendments to the Company's Bye-laws.

公司細則重大變更

於本財政年度內，本公司之公司細則並無作出任何修訂。

The Company is committed to upholding an open and proactive investor relations strategy with an aim at optimizing the knowledge and understanding of the investment community with respect to the Company's corporate mission and vision, development strategies, competitive position in the industry and operating and financial performance, so as to enable public investors to make informed decisions on their investments. The Company fulfils the above-mentioned through a designated Investor Relations Department.

The Investor Relations Department acts as an intermediary between the Company and public investors. The Company abides by the basic and fair disclosure guidelines to ensure that communication with Shareholders, investors and media is conducted in a fair manner and that no material non-public information is made available to any individual on a selective basis.

Investor Relations Review

In order to develop continuously and maintain investor relations communications to ensure that the most updated information would be transmitted to investors in an accurate and fair manner, the Company organized various activities proactively and aggressively through different channels, conducted effective and satisfactory communications under reasonable circumstances. Details of these activities during the reporting period are as follows:

Details of the activities

活動詳情

Non-deal roadshows

非交易路演

Investment conferences

投資者會議

One-on-ones and group meetings

一對一及小組會議

Teleconferences

電話會議

Plant visits and reverse roadshows

廠房參觀及反向路演

本公司致力維持公開及積極的投資者關係策略，旨在有效令投資社群知悉及理解有關本公司之企業宗旨及願景、發展策略、業內競爭狀況及營運和財務表現，以致投資大眾能為彼等的投資作出知情決定。本公司透過特設的投資者關係部門以取得達致。

投資者關係部門為本公司及投資大眾的橋樑。本公司按照公平披露的基本原則，以確保與股東、投資者及傳媒之溝通以一個公平方式進行，及並無以選擇性準則向任何個別人士提供重大非公眾信息。

投資者關係工作回顧

本公司為持續發展及維持投資者關係溝通，以確保最新訊息能準確公平地傳遞至投資者，本公司主動且積極地透過不同渠道進行各項活動，務求在合理的情況下發揮事半功倍的良好溝通。本報告期內的活動詳情如下：

Number of participations (approximately)

參與次數 (約)

9 (including China, Hong Kong, Singapore, Frankfurt, London and New York, etc.)
(包括中國、香港、新加坡、法蘭克福、倫敦及紐約等地)

7

51

34

4

Investor Relations Report

投資者關係報告

- **Annual General Meetings**

It is important that the Shareholders have access to clear and meaningful data which enables them to have a constructive dialogue with the Company. Shareholders can raise any questions and comments on the performance or future business directions of the Company and on any resolutions to be considered at the AGM and SGM. The Company's Chairman and the Audit Committee's Chairman were present and available to answer questions raised at the AGM during the year.

- **Interim Results Presentation**

Interim results presentation was held after the interim results announcement in November 2014, at which the management availed themselves to answer questions such as the Group's operational and financial performances.

- **International Roadshows and Investment Conferences**

The Company treasures every opportunity to communicate with and explain its strategies to investors and Shareholders through active participation in global investor roadshows and investors' conferences hosted by reputable investment banks, securities houses and research institutes.

- **Ongoing Communication with the Investment Community**

Regular face-to-face meetings and an ongoing schedule of teleconferencing calls with institutional investors and research analysts were held throughout the year. Questions and comments on the Company raised at the meetings were summarized and reported to the senior management team after the meetings. Regular meetings with research analysts were organized which provided a different channel for the analysts to communicate with the members of the Board. All these serve the multi-purposes of maintaining market surveillance and close contact with investors as well as gathering constructive suggestions from the capital market.

- **股東週年大會**

對股東而言，能夠取得清晰及有效數據十分重要，他們可藉此與本公司建立有效溝通。股東可就本公司之表現、未來業務方針及於股東週年大會及股東特別大會將予審議之任何決議案提出任何詢問及發表評論。年內，本公司主席及審核委員會之主席已出席股東週年大會，並解答所提出的問題。

- **中期業績發佈會**

中期業績發佈會於二零一四年十一月之中期業績公告後舉行，當中，管理層回答有關本集團營運及財務表現等提問。

- **國際路演及投資者會議**

透過積極參與由知名的投資銀行、證券行及研究機構主持的全球投資者路演及投資者會議，本公司把握每一個機會與投資者及股東溝通及向彼等闡述其策略。

- **持續與投資社群溝通**

本公司年內定期與機構投資者及研究分析員直接會面，並不時安排與他們進行電話會議。本公司總括會議上就本公司提出的問題及作出的評論，並於會議後向高級管理團隊匯報。本公司與研究分析員定期會面，藉此為分析員提供不同渠道與董事會成員溝通。此等活動具有多重意義，既可提供市場監控，又能與投資者維持緊密聯繫，亦可收集資本市場任何建設性意見。

- **Company's Site Visits and Reverse Roadshows**

Site visits to the Company's major customers, R&D centres and production bases had been arranged for investors and analysts during the year which provided them on one hand the opportunities to have better understanding of the Company's businesses, technology and daily operations, and independent market surveillance on the other.

- **E-Communication via Websites of the Company and Professional Investor Relations**

The Company's website at www.hbglobal.com contains information such as important corporate data, biographical details of Directors, organizational structure and press releases, while interim and annual reports, announcements and circulars are published on a professional investor relations page on the aforementioned website, which enables the Company's Shareholders and members of the investor community to have timely access to the most updated information about the Company.

- **Media Communications**

During the announcement of its interim and annual results, the Group held results presentations to facilitate the access of the most updated information of the Company by investors and the public in a fair, open and timely manner. In addition, to strengthen the interactions between the Group and the media it also proactively issued press releases on a timely basis.

Investor Relations Contacts

For inquiries, please contact:
Investor Relations Department
Huabao International Holdings Limited
Suite 3008
30th Floor, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Telephone: (852) 2877 8999
Fax: (852) 2511 8229
E-mail: ir@huabao.com.hk

- **公司實地參觀及反向路演**

本公司年內為投資者及分析員安排參觀本公司主要客戶、研發中心及生產基地，一方面藉此讓他們有機會對本公司業務、科技及日常營運有更透徹瞭解。另一方面，亦可提供獨立市場對企業的監控。

- **透過公司網站及專業投資者關係網站進行電子溝通**

本公司網站為www.hbglobal.com，載有重要之企業數據、董事履歷、組織架構、公司新聞等信息。而上述網站中載有專業的投資者關係頁面，刊發中期及年度報告、公告及通函等信息，讓本公司股東及投資社群適時取得有關本公司之最新信息。

- **媒體溝通**

本集團於中期及全年業績公佈時舉辦業績發佈會以加強投資者及公眾於公平、公開以及及時的情況下獲得公司的最新消息。此外，本集團亦定時主動向媒體發出新聞稿以加強相互交流。

投資者關係聯絡

如有查詢，請聯繫：

香港
灣仔
港灣道18號
中環廣場30樓
3008室
華寶國際控股有限公司
投資者關係部

電話：(852) 2877 8999
傳真：(852) 2511 8229
電郵：ir@huabao.com.hk

Investor Relations Report

投資者關係報告

Information for investors (as at 31 March 2015)

Board Lot Size	1,000 shares
Number of shares issued	3,104,317,961 shares
Market capitalization (based on the closing price of HKD5.77 on 31 March 2015)	HKD17.912 billion

Stock Code

The Stock Exchange of Hong Kong Limited stock code	00336
Reuters ticker	336.HK
Bloomberg ticker	336HK

Financial Calendar

Announcement of 2014-15 Interim Results	19 November 2014 (Wednesday)
Announcement of 2014-15 Annual Results	23 June 2015 (Tuesday)
Closing date for transfer of shares for Annual General Meeting	From 3 August 2015 (Monday) to 6 August 2015 (Thursday) (both days inclusive)
Annual General Meeting	6 August 2015 (Thursday)
Fiscal year-end date	31 March

投資者資料 (截止二零一五年三月三十一日)

每手買賣單位股數	1,000股
已發行股份數目	3,104,317,961股
市值 (以二零一五年三月三十一日收市價港幣5.77元計算)	約港幣179.12億元

股份代號

香港聯合交易所有限公司股份代號	00336
路透社股份代號	336.HK
彭博股份代號	336HK

財務日誌

二零一四至一五年中期業績公佈	二零一四年十一月十九日 (星期三)
二零一四至一五年全年業績公佈	二零一五年六月二十三日 (星期二)
股份截止過戶日期 – 股東週年大會	二零一五年八月三日 (星期一) 至八月六日 (星期四) (包括首尾兩日)
股東週年大會	二零一五年八月六日 (星期四)
財政年度結算日	三月三十一日

The Board is pleased to present its annual report together with the audited consolidated financial statements for the year ended 31 March 2015.

MERGERS & ACQUISITIONS

In June 2014, the Group's wholly owned subsidiary disposed of all of its equity interests (25%) in Henan Jinrui, an associate of the Group, to the controlling shareholder of Henan Jinrui for a cash consideration of approximately HKD11,818,000. After completion of the disposal, Henan Jinrui ceased to be an associate of the Group.

In October 2014, the Group's wholly owned subsidiary acquired the remaining 49% equity interests in Sino Investment from the non-controlling shareholder of Sino Investment for a cash consideration of approximately HKD40,000,000. After completion of the acquisition, the Group's shareholding in Sino Investment increased from 51% to 100%.

In March 2015, the Group's wholly owned subsidiary acquired the remaining 30% equity interests in Huabao Korea from the non-controlling shareholder of Huabao Korea for a cash consideration of approximately HKD18,700,000. After completion of the acquisition, the Group's shareholding in Huabao Korea increased from 70% to 100%.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of the Company's principal subsidiaries are set out in Note 35 to the consolidated financial statements.

SEGMENT INFORMATION

An analysis of the Group's performance for the financial year by business segment is set out in Note 5 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2015 are set out in the consolidated income statement on page 101 of the annual report.

The Board declared an interim dividend of HK9.52 cents per Share (2014: HK8.68 cents per Share) and a special dividend of HK22.20 cents per Share (2014: HK2.88 cents per Share) both in cash, amounting to a total of about HKD984,690,000 which were paid to Shareholders on 27 February 2015.

董事會欣然提呈其年報及截至二零一五年三月三十一日止年度之經審核綜合財務報表。

收購合併

於二零一四年六月，本集團之全資附屬公司以現金代價約港幣11,818,000元出售其持有的本集團之聯營公司河南金瑞全部25%股權予河南金瑞之控股股東。該出售完成後，河南金瑞不再為本集團之聯營公司。

於二零一四年十月，本集團之全資附屬公司以現金代價港幣40,000,000元向中投科技之非控股股東收購中投科技餘下49%股權。該收購完成後，本集團於中投科技的股權由51%增至100%。

於二零一五年三月，本集團之全資附屬公司以現金代價約港幣18,700,000元向華寶韓國之非控股股東收購華寶韓國餘下30%股權。該收購完成後，本集團於華寶韓國的股權由70%增至100%。

主要業務

本公司之主要業務為投資控股，其主要附屬公司之業務載於綜合財務報表附註35。

分部資料

於本財政年度，本集團按業務分部劃分之表現分析載於綜合財務報表附註5。

業績及股息

本集團截至二零一五年三月三十一日止年度之業績載於年報第101頁之綜合收益表。

董事會已宣派現金中期股息每股港幣9.52仙（二零一四年：每股港幣8.68仙）及特別股息每股港幣22.20仙（二零一四年：每股港幣2.88仙），共約港幣984,690,000元。上述中期及特別股息已於二零一五年二月二十七日向股東派付。

Directors' Report

董事會報告

The Board does not recommend the payment of any final dividend for the year ended 31 March 2015 (2014: final dividend of HK10.49 cents per Share and special dividend of HK7.00 cents per Share).

CLOSE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

In order to determine the entitlement of Shareholders to attend and vote at the AGM of the Company which is scheduled to be held on 6 August 2015, the register of members of the Company will be closed from 3 August 2015 to 6 August 2015, 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 31 July 2015. Shareholders whose names are recorded in the register of members of the Company on 6 August 2015 are entitled to attend and vote at the AGM.

RESERVES

Movements in the reserves of the Group and the Company during the financial year are set out in the consolidated statement of changes in equity on page 103 and in Note 20 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 March 2015, the distributable reserves of the Company amounted to HKD1,303,947,000 (2014: HKD1,712,527,000).

DONATIONS

Charitable and other donations made by the Group during the financial year amounted to approximately HKD806,000 (2014: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group are set out in Note 6 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in Note 18 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

董事會不建議就截至二零一五年三月三十一日止年度派發任何期末股息(二零一四年: 期末股息每股港幣10.49仙及特別股息每股港幣7.00仙)。

暫停辦理股份過戶登記手續 – 股東週年大會

為確定股東有權出席本公司訂於二零一五年八月六日舉行之股東週年大會並在會上投票, 本公司將由二零一五年八月三日至二零一五年八月六日止(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二零一五年七月三十一日下午四時三十分前送達本公司之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22樓。於二零一五年八月六日記錄於本公司股東名冊的股東均有權出席股東週年大會及於會上投票。

儲備

本集團及本公司於財政年度內之儲備變動載於年報第103頁之綜合權益變動表及綜合財務報表附註20。

可供分派之儲備

於二零一五年三月三十一日, 本公司之可供分派儲備為港幣1,303,947,000元(二零一四年: 港幣1,712,527,000元)。

捐款

本集團在本財政年度內作出慈善及其它捐款合共約港幣806,000元(二零一四年: 無)。

物業、機器及設備

本集團物業、機器及設備之變動詳情載於綜合財務報表附註6。

股本

本公司之股本變動詳情載於綜合財務報表附註18。

優先購買權

本公司之公司細則或百慕達法例中概無有關優先購買權之條文, 規定本公司須按比例向現有股東發售新股份。

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 197.

SHARE OPTION SCHEME

As per a resolution passed at the SGM held on 22 September 2006, the Company adopted a share option scheme ("Share Option Scheme"). As at 31 March 2015, the number of share options granted by the Company pursuant to the Share Option Scheme which are valid and outstanding amounted to 17,590,000, representing approximately 0.57% of the issued share capital of the Company upon full exercise of the aforesaid share options. The following is a summary of the Share Option Scheme:

(a) Purpose of the Scheme

The Share Option Scheme aims at encouraging the participants to make contributions to and promote benefits of the Group and developing and maintaining business relationships with participants for the benefit of the Group.

(b) Participants of the Scheme

The Board has absolute discretion to grant share option to any participant.

(c) Maximum number of shares issuable under the Scheme

The total number of share options to be granted under the Share Option Scheme shall not exceed 10% of the issued Shares of the Company as at 22 September 2006. Upon approval by the Shareholders, the Company may renew the Scheme Mandate Limit, provided that each renewal shall not exceed 10% of the issued Shares as at the date of approval by the Shareholders, and a circular regarding the proposed renewal of the Scheme Mandate Limit has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules. The aggregate maximum number of Shares which may be issued upon exercise of share options granted under the Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time.

五年財務摘要

本集團過去五個財政年度之業績及資產與負債概要載於年報第197頁。

購股權計劃

根據本公司於二零零六年九月二十二日舉行的股東特別大會上通過的決議案，本公司採納了購股權計劃（「購股權計劃」）。於二零一五年三月三十一日，本公司根據購股權計劃所授出而仍然有效及尚未行使的購股權數目合共17,590,000股，上述購股權尚獲悉數行使將佔本公司已發行股本約0.57%。購股權計劃的摘要載列如下：

(a) 計劃之目的

購股權計劃旨在激勵參與者為本集團作出貢獻及促進利益，為與可對本集團有利之參與者發展及維持業務關係。

(b) 計劃的參與人士

董事會擁有絕對酌情權，可向任何參與者授出購股權。

(c) 計劃中可予發行股份總數最高上限

根據購股權計劃批授的購股權總數，不得超逾二零零六年九月二十二日本公司已發行股份的10%。在獲得股東批准後，本公司可更新計劃授權限額，惟每一次更新的計劃授權限額，均不得超逾股東批准更新限額該日已發行股份之10%；及須遵照上市規則第17章有關條文規定之方式將建議更新計劃授權限額之通函寄發予股東，該通函其中載有上述條文所規定之資料。因按照購股權計劃及本公司任何其他購股權計劃授出之購股權獲行使及將獲行使，而將予發行之最多股份數目不可超逾不時已發行股份總數之30%。

(d) Maximum entitlement of each participant under the Scheme

The maximum number of Shares (issued and to be issued) upon exercise of options (whether exercised, cancelled or outstanding) granted to any participants in any 12-month period under the Share Option Scheme and any other share option scheme of the Company shall not exceed 1% of the Shares in issue from time to time. Any excess over 1% requires the formal approval by Shareholders through an ordinary resolution at a general meeting at which the relevant participant and his close associates shall abstain from voting and the Company shall issue a circular pursuant to relevant provisions of Chapter 17 of the Listing Rules.

(e) Time for exercise of options

The grantee may subscribe for Shares during such period as may be determined by the Board (the said period shall not in whatever case be later than the last day of the 10-year period after the day on which the offer relating to the option is duly approved by the Board in accordance with the Share Option Scheme (subject to early termination)).

(f) Minimum period for which an option must be held before it can be exercised

Unless the Directors determine otherwise and state in the offer of the grant of option to the grantee, the Share Option Scheme does not provide for any minimum period for which share options must be held before it can be exercised.

(g) Acceptance of option offer and payment

The grantee may accept the offer of the share option within 21 days from the date of the offer letter issued by the Company. The grantee shall pay HKD1 as consideration for accepting the offer of the share option.

(h) Basis for determining the exercise price

The exercise price of share option granted pursuant to the Share Option Scheme shall be determined by the Board and shall be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of offer, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the offer; and (iii) the nominal value of the Shares.

(d) 計劃中各參與人士可獲授權益上限

根據本公司購股權計劃及任何其他購股權計劃而於任何12個月期間向任何參與者所授出之購股權（無論已行使、已註銷或尚未行使者），其有關之股份最多數目（包括已發行及將予發行股份數目）將不可超逾不時已發行股份之1%。如授出之數目超逾1%，則必須經股東於股東大會上以普通決議案正式批准，有關參與者及其緊密聯繫人則須放棄在大會上投票，而本公司亦須按照上市規則第17章有關條文之規定發出通函。

(e) 行使購股權之期限

承授人可於董事會釐定之期間內認購股份（該期間無論如何最遲於董事會根據購股權計劃正式批准有關購股權要約當日後十年期間之最後一日屆滿（可提前終止））。

(f) 購股權可予行使前須持有之最短期間

除非董事另行決定並於向承授人授出之購股權要約中表明，否則購股權計劃並無條文規定購股權可予行使前須持有之最短期間。

(g) 接納購股權要約的期限及付款

承授人可於本公司發出的要約函件當日起計21日內接納購股權要約，而接納批授購股權要約時，須支付港幣1元的代價。

(h) 釐定行使價的基準

根據購股權計劃所批授的購股權，其行使價須由董事會釐定，惟不得低於下列各項中之較高者：(i)購股權要約日期（必須為營業日）聯交所每日報價表所列之股份收市價；(ii)在緊接授出日期前五個營業日在聯交所每日報價表所列收市價的平均數；或(iii)股份面值。

(i) The life of the Scheme

The Share Option Scheme will remain in force for 10 years starting from 22 September 2006.

(i) 計劃的尚餘有效期

購股權計劃於二零零六年九月二十二日起計十年內有效。

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

於財政年度內，根據購股權計劃批授、行使、註銷及失效的購股權詳情如下：

Grantee 承授人	Grant Date 授出日期	Exercise Price 行使價	Exercisable Period 可行使日期	Balance as at 1 April 2014 於二零一四年四月一日結餘	Number of Share Options 購股權數目			
					Granted during the financial year 財政年度內批授	Exercised during the financial year 財政年度內行使	Cancelled/lapsed during the financial year 財政年度內註銷/失效	Balance as at 31 March 2015 於二零一五年三月三十一日結餘
		HKD 港幣						
Executive Director 執行董事								
Mr. POON Chiu Kwok 潘昭國先生	25 October 2006 二零零六年十月二十五日	3.09	25/10/2006-24/10/2016	3,000,000	-	(3,000,000)	-	-
Independent Non-Executive Directors 獨立非執行董事								
Mr. LEE Luk Shiu 李祿兆先生	25 October 2006 二零零六年十月二十五日	3.09	25/10/2006-24/10/2016	200,000	-	-	-	200,000
Ms. MA Yun Yan 麻雲燕女士	25 October 2006 二零零六年十月二十五日	3.09	25/10/2006-24/10/2016	800,000	-	-	-	800,000
Other Participants 其他參與者								
	10 October 2006 二零零六年十月十日	3.09	10/10/2006-9/10/2016	7,600,000	-	-	-	7,600,000
	17 October 2007 二零零七年十月十七日	6.65	17/4/2008-16/10/2017	8,990,000	-	-	-	8,990,000
	14 April 2008 二零零八年四月十四日	6.39	14/4/2008-13/4/2018	3,400,000	-	-	(3,400,000)	-
Total 合計				23,990,000	-	(3,000,000)	(3,400,000)	17,590,000

Directors' Report

董事會報告

DIRECTORS

The Directors of the Company during the financial year and up to the date of this report were:

Executive Directors:

Ms. CHU Lam Yiu (*Chairwoman and CEO*)
Mr. XIA Li Qun (*President and CFO*)
Mr. POON Chiu Kwok (*Company Secretary*)
Mr. WANG Guang Yu

Non-executive Director:

Mr. LAM Ka Yu

Independent Non-executive Directors:

Dr. DING Ningning
Mr. LEE Luk Shiu
Ms. MA Yun Yan
Mr. WU Chi Keung

In accordance with Bye-law 87(1) and (2) of the Company's bye-laws, Dr. DING Ningning, Messrs. WANG Guang Yu and WU Chi Keung shall retire by rotation at the forthcoming AGM and, being eligible, have offered themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than disclosed in Note 34 to the consolidated financial statements, no contracts of significance in relation to the Group's business to which the Company, its ultimate holding company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the financial year.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors and their respective close associates (as defined in the Listing Rules) is considered to have an interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

董事

於本財政年度內及截至本報告日期本公司之董事如下：

執行董事：

朱林瑤女士 (*主席兼首席執行官*)
夏利群先生 (*總裁兼財務總監*)
潘昭國先生 (*公司秘書*)
王光雨先生

非執行董事：

林嘉宇先生

獨立非執行董事：

丁寧寧博士
李祿兆先生
麻雲燕女士
胡志強先生

根據本公司之公司細則第87(1)及(2)條，丁寧寧博士、王光雨先生和胡志強先生將於應屆股東週年大會上輪值告退，惟彼等符合資格，並願膺選連任。

董事服務合約

擬於應屆股東週年大會上膺選連任之董事，概無與本公司訂立任何本公司不可於一年內毋須賠償（法定賠償除外）而予以終止之服務合約。

董事於重大合約之權益

除綜合財務報表附註34所披露者外，於年結日或本財政年度內任何時間，本公司並無訂立任何涉及本公司董事直接或間接擁有重大權益且與本公司最終控股公司或其任何附屬公司業務有關之重大合約。

董事於競爭業務之權益

概無董事及其各自之緊密聯繫人（按上市規則定義）擁有與本集團業務直接或間接構成競爭或可能構成競爭的任何業務之權益。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of directors and senior management as at 31 March 2015 are set out on pages 51 to 60 of the annual report.

REMUNERATION OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Particulars of the remuneration of the directors and the five highest paid individuals during the financial year are set out in Note 26 to the consolidated financial statements.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 31 March 2015, 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), as 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:

(a) Long position in ordinary shares of the Company

Name of Directors 董事姓名	Capacity 身份		
CHU Lam Yiu (Note 2) 朱林瑤 (附註2)	Held through controlled corporations (Note 1) 透過受控制公司持有 (附註1)	1,219,813,415	39.29%
XIA Li Qun 夏利群	Beneficial Owner 實益擁有人	5,250,000	0.17%
POON Chiu Kwok 潘昭國	Beneficial Owner 實益擁有人	3,000,000	0.10%

Note 1: 1,219,813,415 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.

Note 2: Ms. CHU Lam Yiu extended the expiry date of a derivative transaction to and including 31 December 2015 by an amendment agreement dated 10 January 2013. The derivative transaction related to a long position of a monetary value equivalent to 99,937,000 shares of the Company.

董事及高級管理層履歷

於二零一五年三月三十一日，董事及高級管理層的履歷載於年報第51頁至60頁。

董事及五名最高薪酬人士之酬金

於本財政年度內，董事及五名最高薪酬人士之酬金詳情刊載於綜合財務報表附註26。

董事於股份、相關股份及債券之權益

於二零一五年三月三十一日，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：

(a) 本公司之普通股好倉

Number of issued Shares held 持有已發行 股份數目	Percentage of the issued share capital 佔已發行 股本百分比
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附註1：本公司之1,219,813,415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。

附註2：朱林瑤女士通過日期為二零一三年一月十日的一份修訂協議，將一項有關本公司股份的衍生產品交易的好倉合約的到期日延長至二零一五年十二月三十一日止（含該日），相關金額所涉等值為99,937,000股本公司股份。

Directors' Report

董事會報告

(b) Interests in share options of the Company

The interests of the Directors in the share options of the Company are detailed in the "Share Option Scheme" section stated above.

Save as disclosed above, as at 31 March 2015, none of the Directors nor their close associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its subsidiaries or associated companies as defined in the SFO.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than disclosed in Note 19 to the consolidated financial statements, at no time during the financial year was the Company, its ultimate holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the financial year.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31 March 2015, other than the interests disclosed in the section headed "Directors' interests in shares, underlying shares and debentures", the register of substantial shareholders maintained by the Company under Section 336 of the SFO showed that the following person(s)/corporation(s) held interests or short positions in 5% or more of the issued share capital of the Company.

Long position in ordinary shares of the Company

Name of Substantial Shareholders	Capacity	Number of issued Shares held	Percentage of the issued share capital
主要股東名稱	身份	持有已發行股份數目	佔已發行股本百分比
Lazard Asset Management LLC	Investment manager 投資經理	371,279,375	11.96%
Prudential plc	Held through controlled corporations 透過受控制公司持有	216,783,500	6.98%

(b) 本公司購股權之權益

董事於本公司之購股權權益已詳列於以上「購股權計劃」一節內。

除上文所披露者外，於二零一五年三月三十一日，董事及彼等之緊密聯繫人概無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。

董事認購股份或債券之權利

除於綜合財務報表附註19所披露者外，本公司、其最終控股公司或其任何附屬公司於本財政年度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。

管理合約

概無於本財政年度內訂立或存有任何涉及本公司整體業務或任何重要業務之管理及行政工作之合約。

主要股東之權益

於二零一五年三月三十一日，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，本公司根據證券及期貨條例第336條存置之主要股東登記冊顯示，下列人士／法團持有本公司已發行股本5%或以上權益或淡倉。

本公司之普通股好倉

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2015, the percentage of turnover attributable to the Group's five largest customers combined accounted for approximately 49.91% and the largest customer contributed approximately 19.40% to the turnover of the Group (Yunnan Tobacco Materials (Group) Company Limited being the largest customer), and the percentage of purchases attributable to the Group's five largest suppliers combined accounted for approximately 25.01% and the largest supplier contributed approximately 8.81% to the purchases of the Group.

None of the Directors of the Company or any of their close associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers.

CONTINUING CONNECTED TRANSACTIONS

Continuing connected transactions with Hongta Tobacco Group

The Group through its subsidiary entered into a framework agreement with Hongta Tobacco on 28 August 2012, pursuant to which the Group shall continually provide tobacco flavours and fragrances products, RTL, stem powder, auxiliary materials and related services to Hongta Tobacco Group for a period from 1 April 2012 to 31 March 2015 ("Hongta Framework Agreement"). Yunnan Tianhong is a 60% indirect subsidiary of the Company. The remaining 40% equity interest in Yunnan Tianhong is held by Yunnan Hongta. Yunnan Hongta is wholly owned by Hongta Tobacco. By virtue of such 40% interest in Yunnan Tianhong, Hongta Tobacco Group are connected persons at subsidiary level of the Company under the Listing Rules. Pursuant to the Listing Rules, all the transactions conducted between the Group and Hongta Tobacco Group under the Hongta Framework Agreement constituted continuing connected transactions of the Group and are subject to applicable reporting, annual review, announcement and (as they then were) independent shareholders' approval requirements under the Listing Rules. Pursuant to the Hongta Framework Agreement, prices of the products will be by reference to the prevailing market price. Such price shall be no more favourable than those offered by the Group to independent third party for similar products and services in its ordinary and usual course of business. Payments to the Group will be in cash according to the timeframe as mutually agreed. The annual cap of the continuing connected transactions for the year ended 31 March 2015 contemplated under the Hongta Framework Agreement is RMB330,000,000.

主要客戶及供貨商

截至二零一五年三月三十一日止年度內，本集團五位最大客戶合計所佔本集團營業額之百分比約為49.91%，而最大客戶則佔約為19.40%（雲南中煙物資（集團）有限責任公司為最大客戶）；本集團五位最大供應商合計所佔本集團採購額之百分比約為25.01%，而最大供應商則佔約為8.81%。

本公司董事或其任何緊密聯繫人或任何股東（就董事所知，擁有5%以上本公司已發行股本者），概無擁有本集團五大客戶及供應商之任何權益。

持續關連交易

與紅塔煙草集團的持續關連交易

於二零一二年八月二十八日，本集團透過附屬公司與紅塔煙草訂立有關本集團持續向紅塔煙草集團自二零一二年四月一日至二零一五年三月三十一日止提供煙用香精香料、煙草薄片、梗粒、煙用輔料及相關服務之框架協議（「紅塔框架協議」）。雲南天宏為本公司間接擁有60%權益的附屬公司，雲南天宏餘下40%股權由雲南紅塔持有，雲南紅塔由紅塔煙草全資擁有，憑藉在雲南天宏的40%權益，紅塔煙草集團根據上市規則為本公司附屬公司層面的關連人士。根據上市規則，紅塔框架協議所涉及的本集團與紅塔煙草集團之間進行的交易構成本集團之持續關連交易，須遵守上市規則的適用申報、年度審核、公告及當時的獨立股東批准的規定。根據紅塔框架協議，貨品價格乃按當時的市場價格釐定，且該價格不低於本集團在日常及一般商業交易情況下向獨立第三方提供該類產品及相關服務所收取的價格，而應付予本集團的貨款根據互相協定的時間以現金支付。紅塔框架協議項下進行的持續關連交易於截至二零一五年三月三十一日止年度的年度上限為人民幣330,000,000元。

Continuing connected transactions with Guangdong Tobacco Company

The Group through its subsidiary entered into a framework agreement with Guangdong Tobacco on 17 December 2012, pursuant to which the Group shall continually provide tobacco flavours and fragrances products, RTL and related products and services to Guangdong Tobacco Company for a period from 1 January 2013 to 31 March 2015 ("GD Framework Agreement"). Guangdong Jinye, is an indirect wholly owned subsidiary of the Company. Guangdong Jinke is a non-wholly owned subsidiary of Guangdong Jinye. Guangdong Tobacco holds more than 10% equity interest in Guangdong Jinke. Guangdong Tobacco Company are connected persons at subsidiary level of the Company under the Listing Rules. Pursuant to the Listing Rules, all the transactions conducted between the Group and Guangdong Tobacco Company under the GD Framework Agreement constituted continuing connected transactions of the Group and are subject to applicable reporting, annual review, announcement and (as they then were) independent shareholders' approval requirements under the Listing Rules. Pursuant to the GD Framework Agreement, prices of the products will be by reference to the prevailing market price. Such price shall be no more favourable than those offered by the Group to independent third party for similar products and services in its ordinary and usual course of business. Payments to the Group will be in cash according to the time frame as mutually agreed. The annual cap of the continuing connected transactions for the year ended 31 March 2015 contemplated under the GD Framework Agreement is RMB370,000,000.

Annual review of continuing connected transactions

For the year ended 31 March 2015, the transactions between the Group and Hongta Tobacco Group under the Hongta Framework Agreement and the transactions between the Group and Guangdong Tobacco Company under the GD Framework Agreement amounted to approximately RMB167,669,571 and RMB236,501,326 respectively.

The aforesaid continuing connected transactions have been reviewed by the INEDs of the Company. The INEDs confirm that the aforesaid connected transactions have been entered into:

- (i) in the ordinary and usual course of business of the Company;
- (ii) either on normal commercial terms or on terms no less favourable to the Company than terms available from independent third parties; and

與廣東中煙公司的持續關連交易

於二零一二年十二月十七日，本集團透過附屬公司與廣東中煙訂立有關本集團持續向廣東中煙公司自二零一三年一月一日至二零一五年三月三十一日止期間提供煙用香精香料、煙草薄片及有關產品及服務之框架協議（「廣東框架協議」）。廣東金葉為本公司間接擁有的全資附屬公司，廣東金科為廣東金葉的非全資附屬公司，廣東中煙持有廣東金科逾10%股權，廣東中煙公司根據上市規則為本公司附屬公司層面的關連人士。根據上市規則，廣東框架協議所涉及的本集團與廣東中煙公司之間進行的交易構成本集團之持續關連交易，須遵守上市規則的適用申報、年度審核、公告及當時的獨立股東批准的規定。根據廣東框架協議，貨品價格乃按當時的市場價格釐定，且該價格不低於本集團在日常及一般商業交易情況下向獨立第三方提供該類產品及相關服務所收取的價格，而應付予本集團的貨款根據互相協定的時間以現金支付。廣東框架協議項下進行的持續關連交易於截至二零一五年三月三十一日止年度的年度上限為人民幣370,000,000元。

持續關連交易的年度審核

截至二零一五年三月三十一日止年度，本集團與紅塔煙草集團按紅塔框架協議進行的交易及與廣東中煙公司按廣東框架協議進行的交易的金額分別約為人民幣167,669,571元及人民幣236,501,326元。

上述持續關連交易已由本公司的獨立非執行董事審核。獨立非執行董事確認上述關連交易乃：

- (i) 屬本公司的一般及日常業務；
- (ii) 是按照一般商業條款進行，或其條款不遜於本公司從獨立第三方獲取的條款；及

(iii) in accordance with the terms of the relevant agreement, and are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

The Company has engaged the independent auditor, PricewaterhouseCoopers to report on the Group's above-mentioned continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' and with reference to Practice Note 740 'Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules' issued by the Hong Kong Institute of Certified Public Accountants. PricewaterhouseCoopers have issued their unqualified letter containing their findings and conclusions in respect of the above-mentioned continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditors' letter has been provided to the Stock Exchange by the Company.

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions entered into by the Group during the year ended 31 March 2015 are set out in Note 34 to the consolidated financial statements. None of these related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules, except for the transactions described in this paragraph headed "Continuing Connected Transactions", in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

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

During the year ended 31 March 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

Details of the Group's corporate governance practices are set out in the Corporate Governance Report on pages 61 to 80 of the annual report.

LEGAL PROCEEDINGS

As at 31 March 2015, none of the members of the Group was involved in any material litigation or arbitration and no material litigation or claim was pending or threatened or made against any member of the Group.

(iii) 是根據有關的協議條款進行，而交易條款公平合理，並且符合本公司股東的整體利益。

根據香港會計師公會發佈的香港鑒證業務準則3000號「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明740號「香港上市規則規定的持續關連交易的核數師函件」，本公司之獨立核數師羅兵咸永道會計師事務所已受聘對本集團上述之持續關連交易作出報告，並已根據上市規則第14A.56條規定發出無保留意見函件，當中載有其發現和結論。本公司已將核數師函件副本提交予聯交所。

關聯人士交易

本集團於截至二零一五年三月三十一日止年度訂立之重大關聯人士交易詳情載於綜合財務報表附註34。除於「持續關連交易」一節所述的交易（而此等交易已遵守上市規則第14A章的披露規定）外，該等關聯人士交易概無構成須予披露的關連交易（定義見上市規則）。

購買、出售或贖回本公司之上市證券

於截至二零一五年三月三十一日止年度內，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。

企業管治

本集團企業管治常規之詳情載於本年報第61頁至80頁之企業管治報告。

法律訴訟

截至二零一五年三月三十一日，本集團成員公司概無涉及任何重大訴訟或仲裁事項，亦無面臨任何待決的重大訴訟或索償。

Directors' Report

董事會報告

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 year ended 31 March 2015 and up to the date of this report as required under the Listing Rules.

AUDITORS

The consolidated financial statements for the year ended 31 March 2015 have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM of the Company.

By Order of the Board

CHU Lam Yiu

Chairwoman and CEO

Hong Kong, 23 June 2015

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，於截至二零一五年三月三十一日止年度內及截至本報告日，本公司已維持上市規則所規定之公眾持股量。

核數師

截至二零一五年三月三十一日止年度之綜合財務報表已經由羅兵咸永道會計師事務所審核，該核數師將任滿告退，惟彼符合資格並願於本公司應屆股東週年大會上應聘連任。

承董事會命

朱林瑤

主席兼首席執行官

香港，二零一五年六月二十三日



羅兵咸永道

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HUABAO INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

獨立核數師報告

致華寶國際控股有限公司股東

(於百慕達註冊成立的有限公司)

We have audited the consolidated financial statements of Huabao International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 99 to 196, which comprise the consolidated and company statements of financial position as at 31 March 2015, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

本核數師(以下簡稱「我們」)已審計列載於第99至196頁華寶國際控股有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一五年三月三十一日的綜合及公司財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其它附註解釋資料。

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the predecessor Hong Kong Companies Ordinance (Cap.32), and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及前香港《公司條例》(第32章)的披露規定編製綜合財務報表,以令綜合財務報表作出真實而公平的反映,及落實其認為編製綜合財務報表所必要的內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表作出意見,並按照百慕達《一九八一年公司法》第90條僅向整體股東報告我們的意見,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。

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Independent Auditor's Report

獨立核數師報告

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2015, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the predecessor Hong Kong Companies Ordinance (Cap.32).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 23 June 2015

我們已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

審計涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零一五年三月三十一日的事務狀況，及貴集團截至該日止年度的利潤及現金流量，並已按照前香港《公司條例》(第32章)的披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零一五年六月二十三日

Consolidated Statement of Financial Position

綜合財務狀況表

(All amounts in HK dollar thousands unless otherwise stated)

(除另有指明者外，所有金額均以港幣千元列示)

		As at 31 March 於三月三十一日		
		Note 附註	2015 二零一五年	2014 二零一四年
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	6	1,405,495	1,425,497
Land use rights	土地使用權	7	194,060	200,247
Intangible assets	無形資產	8	2,897,367	2,931,430
Investments in associates	於聯營公司之投資	10	227,795	239,044
Investments in a jointly controlled entity	於共同控制實體之投資	11	6,987	7,442
Available-for-sale financial assets	可供出售金融資產	12	225,217	154,504
Deferred income tax assets	遞延所得稅資產	13	65,194	66,208
			5,022,115	5,024,372
Current assets	流動資產			
Inventories	存貨	14	818,433	855,694
Trade and other receivables	貿易及其他應收款項	15	1,309,693	1,341,399
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益的金融資產	16	124,535	-
Assets held for sale	持作出售資產		-	5,196
Short-term time deposits	短期定期存款	17	951,802	806,400
Cash and cash equivalents	現金及現金等價物	17	2,674,289	2,375,345
			5,878,752	5,384,034
Total assets	總資產		10,900,867	10,408,406
EQUITY	權益			
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔股本及儲備			
Share capital	股本	18	310,432	310,132
Reserves	儲備	20	1,188,606	1,110,334
Retained earnings	保留盈利			
- Proposed final dividend	- 擬派期末股息	30	-	325,520
- Proposed special dividend	- 擬派特別股息	30	-	217,221
- Others	- 其他	21	7,670,008	6,722,364
			9,169,046	8,685,571
Non-controlling interests	非控制性權益		234,796	314,658
Total equity	總權益		9,403,842	9,000,229
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Deferred income tax liabilities	遞延所得稅負債	13	72,607	92,676
Current liabilities	流動負債			
Borrowings	貸款	22	750,278	530,131
Trade and other payables	貿易及其他應付款項	23	562,030	652,094
Current income tax liabilities	當期所得稅負債		112,110	133,276
			1,424,418	1,315,501
Total liabilities	總負債		1,497,025	1,408,177
Total equity and liabilities	總權益及負債		10,900,867	10,408,406
Net current assets	流動資產淨值		4,454,334	4,068,533
Total assets less current liabilities	總資產減流動負債		9,476,449	9,092,905

The notes on pages 105 to 196 are an integral part of these consolidated financial statements.

第105至196頁的附註為本綜合財務報表的整體部份。

On behalf of the Board

代表董事會

Ms. CHU Lam Yiu
朱林瑤女士
Chairwoman
主席

Mr. XIA Li Qun
夏利群先生
Director
董事

Statement of Financial Position

財務狀況表

(All amounts in HK dollar thousands unless otherwise stated)

(除另有指明者外，所有金額均以港幣千元列示)

		As at 31 March 於三月三十一日	
		2015 二零一五年	2014 二零一四年
	Note 附註		
ASSETS			
Non-current assets			
Investments in subsidiaries	9(a)	1,245,085	1,245,085
Current assets			
Trade and other receivables	15	498	498
Amounts due from subsidiaries	9(b)	1,804,735	1,996,586
Cash and cash equivalents	17	15,705	30,460
		1,820,938	2,027,544
Total assets		3,066,023	3,272,629
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	18	310,432	310,132
Reserves	20	792,485	783,515
Retained earnings			
– Proposed final dividend	30	–	325,520
– Proposed special dividend	30	–	217,221
– Others	21	1,015,756	881,595
Total equity		2,118,673	2,517,983
LIABILITIES			
Current liabilities			
Borrowings	22	735,128	515,000
Amounts due to subsidiaries	9(b)	209,192	237,344
Trade and other payables	23	3,030	2,302
		947,350	754,646
Total liabilities		947,350	754,646
Total equity and liabilities		3,066,023	3,272,629

The notes on pages 105 to 196 are an integral part of these financial statements.

第105至196頁的附註為本財務報表的整體部份。

On behalf of the Board

代表董事會

Ms. CHU Lam Yiu
朱林瑤女士
Chairwoman
主席

Mr. XIA Li Qun
夏利群先生
Director
董事

Consolidated Income Statement

綜合收益表

(All amounts in HK dollar thousands unless otherwise stated)

(除另有指明者外，所有金額均以港幣千元列示)

		Year ended 31 March 截至三月三十一日止年度		
		Note 附註	2015 二零一五年	2014 二零一四年
Sales	營業額	5	4,326,486	4,237,425
Cost of goods sold	銷售成本	25	(1,301,169)	(1,239,306)
Gross profit	毛利		3,025,317	2,998,119
Other income and other gains – net	其他收入及其他收益 – 淨額	24	263,205	204,571
Selling and marketing expenses	銷售及市場推廣開支	25	(204,650)	(169,936)
Administrative expenses	行政費用	25	(763,727)	(655,510)
Operating profit	營運盈利		2,320,145	2,377,244
Finance income	財務收入		83,095	54,352
Finance costs	融資成本		(13,988)	(11,997)
Finance income – net	財務收入 – 淨額	27	69,107	42,355
Share of loss of associates and a jointly controlled entity	應佔聯營公司及共同控制實體之虧損	10, 11	(3,005)	(2,354)
Profit before income tax	除稅前盈利		2,386,247	2,417,245
Income tax expense	所得稅	28	(391,054)	(420,381)
Profit for the year	本年度盈利		1,995,193	1,996,864
Attributable to:	應佔：			
Equity holders of the Company	本公司權益持有人		1,986,584	1,977,325
Non-controlling interests	非控制性權益		8,609	19,539
			1,995,193	1,996,864
Earnings per share for profit attributable to the Company's equity holders for the year	年內本公司權益持有人應佔的每股盈利			
– Basic (HK cents)	基本 (港仙)	29(a)	64.02	63.76
– Diluted (HK cents)	攤薄 (港仙)	29(b)	63.93	63.72
Interim and final dividends	中期及期末股息	30	295,531	594,714
Special dividend	特別股息	30	689,158	306,539
			984,689	901,253

The notes on pages 105 to 196 are an integral part of these consolidated financial statements.

第105至196頁的附註為本綜合財務報表的整體部份。

Consolidated Statement of Comprehensive Income

綜合全面收益表

(All amounts in HK dollar thousands unless otherwise stated)

(除另有指明者外，所有金額均以港幣千元列示)

		Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
Profit for the year	本年度盈利	1,995,193	1,996,864
Other comprehensive income:	其他全面收益：		
<i>Items that may be reclassified to profit or loss</i>	<i>可重新分類至損益的項目</i>		
Fair value changes on available-for-sale financial assets, net of tax	可供出售金融資產之除稅後的公允值變動	13,461	62,398
Currency translation differences on foreign operations	海外業務之貨幣換算差額	6,341	126,031
Other comprehensive income for the year, net of tax	本年度除稅後其他全面收益	19,802	188,429
Total comprehensive income for the year, net of tax	本年度除稅後全面收益總額	2,014,995	2,185,293
Total comprehensive income attributable to:	應佔全面收益總額：		
Equity holders of the Company	本公司權益持有人	2,006,322	2,157,918
Non-controlling interests	非控制性權益	8,673	27,375
		2,014,995	2,185,293

The notes on pages 105 to 196 are an integral part of these consolidated financial statements.

第105至196頁的附註為本綜合財務報表的整體部份。

Consolidated Statement of Changes in Equity

綜合權益變動表

(All amounts in HK dollar thousands unless otherwise stated)

(除另有指明者外，所有金額均以港幣千元列示)

		Note 附註	Attributable to equity holders of the Company 本公司權益持有人應佔			Non- controlling interests 非控制性權益	Total equity 總權益	
			Share capital 股本	Reserves 儲備	Retained earnings 保留盈利			Total 總計
Balance at 1 April 2013	於二零一三年四月一日		311,013	914,333	6,054,065	7,279,411	346,265	7,625,676
Fair value changes on available-for-sale financial assets, net of tax	可供出售金融資產之除稅後的公允值變動		-	62,398	-	62,398	-	62,398
Currency translation differences	貨幣換算差額		-	118,195	-	118,195	7,836	126,031
Profit for the year	本年度盈利		-	-	1,977,325	1,977,325	19,539	1,996,864
Total comprehensive income for the year ended 31 March 2014	截至二零一四年三月三十一日止年度的全面收益總額		-	180,593	1,977,325	2,157,918	27,375	2,185,293
Transactions with owners in their capacity as owners:	與本公司擁有人的交易：							
Appropriations from net profit	自純利撥付	20, 21	-	15,475	(15,475)	-	-	-
Dividends payable to non-controlling interests	向非控制性權益派付的股息		-	-	-	-	(3,707)	(3,707)
Dividends paid to non-controlling interests	向非控制性權益已付的股息		-	-	-	-	(39,846)	(39,846)
Acquisition of additional interest in Yongzhou Shanxiang Flavour Co., Ltd. ("Yongzhou Shanxiang") from non-controlling interest	向非控制性權益收購永州山香香料有限公司 (「永州山香」) 額外權益		-	(948)	-	(948)	(4,294)	(5,242)
Disposal of a subsidiary	出售附屬公司		-	-	-	-	(14,356)	(14,356)
Additional investment in a non-wholly owned subsidiary	額外注資於非全資附屬公司		-	-	-	-	3,221	3,221
Repurchase and cancellation of shares	回購及註銷股份		(881)	881	(13,937)	(13,937)	-	(13,937)
Final and special dividend for the year ended 31 March 2013	截至二零一三年三月三十一日止年度之期末及特別股息	21	-	-	(378,361)	(378,361)	-	(378,361)
Interim and special dividend for the 6 months ended 30 September 2013	截至二零一三年九月三十日止六個月之中期及特別股息	21	-	-	(358,512)	(358,512)	-	(358,512)
Total transactions with owners	與擁有人交易總額		(881)	15,408	(766,285)	(751,758)	(58,982)	(810,740)
Balance at 31 March 2014	於二零一四年三月三十一日		310,132	1,110,334	7,265,105	8,685,571	314,658	9,000,229
Balance at 1 April 2014	於二零一四年四月一日		310,132	1,110,334	7,265,105	8,685,571	314,658	9,000,229
Fair value changes on available-for-sale financial assets, net of tax	可供出售金融資產之除稅後的公允值變動		-	13,461	-	13,461	-	13,461
Currency translation differences	貨幣換算差額		-	6,277	-	6,277	64	6,341
Profit for the year	本年度盈利		-	-	1,986,584	1,986,584	8,609	1,995,193
Total comprehensive income for the year ended 31 March 2015	截至二零一五年三月三十一日止年度的全面收益總額		-	19,738	1,986,584	2,006,322	8,673	2,014,995
Transactions with owners in their capacity as owners:	與本公司擁有人的交易：							
Appropriations from net profit	自純利撥付	20, 21	-	54,251	(54,251)	-	-	-
Dividends paid to non-controlling interests	向非控制性權益已付的股息		-	-	-	-	(34,553)	(34,553)
Acquisition of additional interest in Sino Investment High-Tech Ltd. ("Sino Investment") from non-controlling interest	向非控制性權益收購中投科技有限公司 (「中投科技」) 額外權益	31(a)	-	(9,824)	-	(9,824)	(30,176)	(40,000)
Acquisition of additional interest in Huabao Korea Co., Ltd ("Huabao Korea") from non-controlling interest	向非控制性權益收購華寶韓國株式會社 (「華寶韓國」) 額外權益	31(b)	-	5,137	-	5,137	(23,806)	(18,669)
Employee share option scheme	僱員購股權計劃：							
- Issue of shares upon exercise of share options	行使購股權而發行的新股		300	8,970	-	9,270	-	9,270
Final and special dividend for the year ended 31 March 2014	截至二零一四年三月三十一日止年度之期末及特別股息	21	-	-	(542,741)	(542,741)	-	(542,741)
Interim and special dividend for the 6 months ended 30 September 2014	截至二零一四年九月三十日止六個月之中期及特別股息	21	-	-	(984,689)	(984,689)	-	(984,689)
Total transactions with owners	與擁有人交易總額		300	58,534	(1,581,681)	(1,522,847)	(88,535)	(1,611,382)
Balance at 31 March 2015	於二零一五年三月三十一日		310,432	1,188,606	7,670,008	9,169,046	234,796	9,403,842

The notes on pages 105 to 196 are an integral part of these consolidated financial statements.

第105至196頁的附註為本綜合財務報表的整體部份。

Consolidated Statement of Cash Flows

綜合現金流量表

(All amounts in HK dollar thousands unless otherwise stated)

(除另有指明者外，所有金額均以港幣千元列示)

		Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
	Note 附註		
Cash flows from operating activities	經營活動之現金流量		
Cash generated from operations	32	2,582,464	2,245,508
Income tax paid		(440,569)	(420,585)
Net cash generated from operating activities	營運活動產生之現金淨額	2,141,895	1,824,923
Cash flows from investing activities	投資活動之現金流量		
Proceeds from disposal of a subsidiary		-	15,993
Capital injection into an associate	10	-	(138,136)
Purchases of available-for-sale financial assets	12	(52,558)	-
Proceeds from disposal of an associate		10,952	-
Purchases of financial assets at fair value through profit or loss		(95,877)	-
Purchases of property, plant and equipment, land use right and intangible asset		(154,179)	(161,946)
Proceeds from disposal of property, plant and equipment	32	375	233
Short-term time deposits placed		(144,425)	(361,229)
Dividend received		3,089	843
Interest received		83,088	48,344
Net cash used in investing activities	投資活動所用之現金淨額	(349,535)	(595,898)
Cash flows from financing activities	融資活動之現金流量		
Dividends paid to shareholders		(1,565,695)	(776,719)
Acquisition of additional interests in subsidiaries from non-controlling interests	31	(58,669)	(5,242)
Capital contributions from non-controlling interests		-	3,221
Proceeds from issue of shares in connection with exercise of share options		9,271	-
Repurchase of shares		-	(13,937)
New short-term bank borrowings		290,150	65,131
Repayment of borrowings		(65,150)	-
Repayment to a shareholder		(93,985)	(30,000)
Interest paid		(13,489)	(13,030)
Net cash used in financing activities	融資活動所用之現金淨額	(1,497,567)	(770,576)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	294,793	458,449
Cash and cash equivalents at 1 April		2,375,345	1,886,183
Effects of currency translation on cash and cash equivalents		4,151	30,713
Cash and cash equivalents at 31 March	於三月三十一日之現金及現金等價物	2,674,289	2,375,345

The notes on pages 105 to 196 are an integral part of these consolidated financial statements.

第105至196頁的附註為本綜合財務報表的整體部份。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

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 “Stock Exchange”).

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, reconstituted tobacco leaves, new materials and fragrances in the People’s Republic of China (the “PRC”). Ms. Chu Lam Yiu (“Ms. Chu”), who is the Chairwoman of the Board of Directors, holds approximately 39% beneficial equity interest in the Company as at 31 March 2015, through six limited companies incorporated in the British Virgin Islands and solely beneficially owned by her, namely Mogul Enterprises Limited, Resourceful Link International Limited, Power Nation International Limited, Raise Sino Investments Limited, Jumbo Elite Limited and Real Elite Investments Limited, and is the single largest shareholder of the Company.

These consolidated financial statements are presented in thousands of units of HK dollars (“HKD’000”) unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 23 June 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The consolidated financial statements have been prepared under the historical cost convention, as modified by remeasurement of available-for-sale financial assets and financial assets at fair value through profit or loss, which are carried at fair value.

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（「聯交所」）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、分銷及銷售食用香精香料、煙草薄片、新材料及日用香精香料。朱林瑤女士（「朱女士」）乃本公司之董事局主席，於二零一五年三月三十一日，朱女士透過六家於英屬處女群島註冊成立的有限公司Mogul Enterprises Limited、Resourceful Link International Limited、Power Nation International Limited、Raise Sino Investments Limited、Jumbo Elite Limited及Real Elite Investments Limited，持有本公司約39%之權益，為本公司的單一大股東。

本綜合財務報表除另有說明者外，均以港幣千元（「港幣千元」）列示。本綜合財務報表已於二零一五年六月二十三日獲董事會批准刊發。

2. 主要會計政策摘要

編製本綜合財務報表所應用的主要會計政策載於下文。除另有說明者外，此等政策在所呈報的所有年度內貫徹應用。

2.1 編製基準

本公司綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則（「香港財務報告準則」），並按歷史成本法編製，且就重新計量之可供出售金融資產及以公允價值計量且其變動計入損益的金融資產而作出修訂。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The consolidated financial statements are prepared in accordance with the disclosure requirements of the predecessor Hong Kong Companies Ordinance (Cap.32) for this financial year and the comparative period.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

(a) The following amendments and interpretation to standards are mandatory for the first time for the financial year beginning 1 April 2014, but are not currently relevant or do not have a significant impact on the Group's operations (although they may affect the accounting for future transactions and events):

- HKAS 32 (Amendment) "Financial instruments: Presentation" on asset and liability offsetting is effective for annual periods beginning on or after 1 January 2014
- HKFRS 10, 12 and HKAS 27 (Amendment) "Consolidation for investment entities" is effective for annual periods beginning on or after 1 January 2014
- HKAS 36 (Amendment) "Impairment of assets" on recoverable amount disclosures is effective for annual periods beginning on or after 1 January 2014

2. 主要會計政策摘要 (續)

2.1 編製基準 (續)

本財政年度和比較期間的合併財務報表是根據前香港《公司條例》(第32章)的適用規定而編製。

編製符合香港財務報告準則的財務報表須使用若干關鍵會計估算，管理層亦須於應用本集團會計政策過程中行使其判斷，而涉及高度的判斷或高度複雜性之範疇，或涉及對綜合財務報表作出重大假設和估算的範疇，在附註4中披露。

(a) 下列對準則之修訂及詮釋於二零一四年四月一日開始的財政年度首次強制應用，但現與本集團業務無關或無重大影響（雖然其可能會影響未來的交易和事項的會計記賬）：

- 香港會計準則第32號(修改)「金融工具：呈報」有關資產與負債的對銷(由二零一四年一月一日或之後開始的年度期間起生效)。
- 香港財務報告準則第10、12號及香港會計準則第27號(修改)「投資主體的合併」(由二零一四年一月一日或之後開始的年度期間起生效)。
- 香港會計準則第36號(修改)「資產減值」中有關可收回金額的披露(由二零一四年一月一日或之後開始的年度期間起生效)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(a) The following amendments and interpretation to standards are mandatory for the first time for the financial year beginning 1 April 2014, but are not currently relevant or do not have a significant impact on the Group's operations (although they may affect the accounting for future transactions and events): (continued)

- HKAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" – Novation of derivatives is effective for annual periods beginning on or after 1 January 2014
- HK(IFRIC) 21 "Levies" is effective for annual periods beginning on or after 1 January 2014

2. 主要會計政策摘要 (續)

2.1 編製基準 (續)

(a) 下列對準則之修訂及詮釋於二零一四年四月一日開始的財政年度首次強制應用，但現與本集團業務無關或無重大影響（雖然其可能會影響未來的交易和事項的會計記賬）：(續)

- 香港會計準則第39號(修改)「金融工具：確認及計量」－衍生工具的替代(由二零一四年一月一日或之後開始的年度期間起生效)。
- 香港(國際財務報告解釋委員會)－解釋公告第21號「徵費」(由二零一四年一月一日或之後開始的年度期間起生效)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued) 2. 主要會計政策摘要(續)

2.1 Basis of preparation (continued)

- (b) The following new standards and amendments to standards are not yet effective and have not been early adopted by the Group:

2.1 編製基準(續)

- (b) 下列仍未生效而本集團亦無提早採納的準則及對現有準則的修改：

		Effective for annual periods beginning on or after 之後開始的年度期間起生效
HKAS 19 (Amendment) regarding defined benefit plans	香港會計準則第19號(修改) 有關設定福利計劃	1 July 2014 二零一四年七月一日
Annual improvements 2012 on changes from the 2010-2012 cycle of the annual improvements project	2012年度改進包括2010-2012年報告週期年度改進項目的變動	1 July 2014 二零一四年七月一日
Annual improvements 2013 on changes from the 2011-2013 cycle of the annual improvements project	2013年度改進包括2011-2013年報告週期年度改進項目的變動	1 July 2014 二零一四年七月一日
HKFRS 14 "Regulatory Deferral Accounts"	香港財務報告準則第14號 「監管遞延賬目」	1 January 2016 二零一六年一月一日
HKFRS 11 (Amendment) on accounting for acquisitions of interests in joint operation	香港財務報告準則第11號(修改) 「收購共同經營權益的會計法」	1 January 2016 二零一六年一月一日
HKAS 16 and HKAS 38 (Amendment) on clarification of acceptable methods of depreciation and amortisation	香港會計準則第16號及第38號 (修改)「折舊與攤銷的可接受方法的澄清」	1 January 2016 二零一六年一月一日
HKAS 16 and HKAS 41 (Amendment) on bearer plants	香港會計準則第16號及第41號 (修改)「生產性植物」	1 January 2016 二零一六年一月一日
HKFRS 10 and HKAS 28 (Amendment) on the sale or contribution of assets between an investor and its associate or joint venture	香港財務報告準則第10號及 香港會計準則第28號(修改) 「投資者與其聯營或合營企業之間的資產出售或注資」	1 January 2016 二零一六年一月一日
HKAS 27 (Amendment) "Equity method in separate financial statements"	香港會計準則第27號(修改) 「獨立財務報表之權益表」	1 January 2016 二零一六年一月一日
Annual improvements 2014 on changes from the 2012-2014 cycle of the annual improvements project	2014年度改進包括2012-2014週期年度改進項目的變動	1 January 2016 二零一六年一月一日

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.1 Basis of preparation (continued)

2.1 編製基準 (續)

- (b) The following new standards and amendments to standards are not yet effective and have not been early adopted by the Group: (continued)

- (b) 下列仍未生效而本集團亦無提早採納的準則及對現有準則的修改：(續)

		Effective for annual periods beginning on or after 之後開始的年度期間起生效
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment) on investment entities: applying the consolidation exception	香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修改)「關於投資性主體：應用合併的例外規定」	1 January 2016 二零一六年一月一日
HKAS 1 for the disclosure initiative	香港會計準則第1號(修改)「披露計劃」	1 January 2016 二零一六年一月一日
HKFRS 15 "Revenue from Contracts with Customers"	香港財務報告準則第15號「客戶合同收入」	1 January 2017 二零一七年一月一日
HKFRS 9 "Financial Instruments"	香港財務報告準則第9號「金融工具」	1 January 2018 二零一八年一月一日

Management does not anticipate that the application of the standards will result in a material impact on the Group's consolidated financial statements.

管理層預期該等準則的應用不會對本集團的綜合財務報表有重大影響。

2.2 Consolidation

2.2 綜合賬目

(a) Subsidiaries

(a) 附屬公司

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

附屬公司指本集團對其有控制權的所有實體(包括結構性實體)。當本集團乃由於參與該實體而承擔可變回報的風險或享有可變回報的權益，並有能力透過其對該實體的權力影響此等回報時，本集團即控制該實體。附屬公司在控制權轉移至本集團之日全面綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

(i) Business combinations

Apart from the application of merger accounting on those common control combinations (Note 2.2(b)), the Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

2. 主要會計政策摘要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

(i) 業務合併

除對共同控制下的實體合併採用合併會計法的情況外(附註2.2(b))，會計法收購法乃用作本集團收購附屬公司的入賬方法。收購附屬公司的轉讓代價為本集團所轉讓資產、所產生負債及所發行的股權的公允價值。所轉讓代價包括或有代價安排所產生的任何資產或負債的公允價值。於業務合併時所收購可識別的資產以及所承擔的負債及或然負債，初步按收購日的公允價值計量。就逐項收購基準，本集團可按公允價值或按非控制性權益應佔被收購方淨資產的比例，計量被收購方的非控制性權益。非控制性權益的所有其他組成部份按收購日期的公允價值計量，除非香港財務報告準則規定必須以其他計量基準計算。

收購的相關成本在產生時支銷。

如業務合併分階段進行，收購方之前在收購方持有的權益按收購日期的公允價值在損益中重新計量，重新計量產生的任何盈虧在損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

(i) Business combinations (continued)

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the income statement.

Intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2. 主要會計政策摘要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

(i) 業務合併 (續)

集團將轉讓的任何或有對價按收購日期的公允價值計量。被視為資產或負債的或有對價公允價值的其後變動，根據香港會計準則第39號的規定，在損益中或作為其他收益的變動確認。分類為權益的或有對價不重新計量，其之後的結算在權益中入賬。

所轉讓對價、被收購方的任何非控制性權益數額，及在被收購方之前任何權益在收購日的公允價值，超過所購入可辨識淨資產的數額記錄為商譽。如所轉讓對價、確認的任何非控制性權益及之前持有的權益計量，低於購入附屬公司淨資產的公允價值，則將該數額直接在收益中確認。

集團內公司之間的交易、交易的結餘及未實現盈利予以對銷。集團內公司間的盈虧（確認於資產）亦予以對銷。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(b) Application of merger accounting

The consolidated financial statements incorporate the financial statements of the combining entities in which the common control combination occurs on the basis that they had been combined from the date when the combining entities first came under the control of the controlling party.

2. 主要會計政策摘要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

(ii) 不導致失去控制權的附屬公司權益變動

本集團將其非控制性權益進行、不導致失去控制權的交易入賬為權益交易—即與附屬公司所有者以其作為所有者身份進行的交易。所支付任何對價的公允價值與相關應佔所收購附屬公司淨資產賬面值的差額記錄為權益。向非控制權益的處置的盈虧亦記錄在權益中。

(iii) 出售附屬公司

當集團不再持有控制權，在實體的任何保留權益於失去控制權當日重新計量至公允價值，賬面值的變動在損益中確認。公允價值為就保留權益的後續入賬而言的初始賬面值，作為聯營、合營或金融資產。此外，之前在其他綜合收益中確認的任何數額猶如本集團已直接處置相關資產和負債。這意味著之前在其他綜合收益中確認的數額重新分類至損益。

(b) 同一控制下合併的合併會計法

當共同控制企業合併發生時，綜合財務報表包括被合併實體的財務報表，就如同被合併實體在開始處於控制所有者的共同控制下就已經被合併。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.2 Consolidation (continued)

2.2 綜合賬目 (續)

(b) Application of merger accounting (continued)

(b) 同一控制下合併的合併會計法 (續)

The net assets of the combining entities are combined using the existing book values from the controlling party's perspective. No amount is recognized for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

從控制方的角度，被合併的實體的淨資產以賬面值合併。在共同控制企業合併中產生的商譽以及收購方應佔被收購方可辨認資產，負債及或然負債的公允值超過成本的金額不予確認。

The consolidated income statement includes the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

綜合收益表包括每一個合併實體的經營成果，而其期間為財務報表最早的披露日期與合併實體開始處於共同控制之日兩者較短期間，而不考慮共同控制企業合併日。

The comparative amounts in the consolidated financial statements are presented on the basis that the entities had been combined at the previous closing date or when they first came under common control, whichever is shorter.

綜合財務報表中的比較數據，已假設實體已於上一個結算日或首次受到共同控制時(以較短者為準)呈列。

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealized gains on transactions between combining entities or businesses are eliminated on consolidation.

在這些實體中採用統一的會計政策。集團內合併實體的所有交易、餘額及在交易中獲得的未實現收益在合併中對銷。

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognized as an expense in the period in which it is incurred.

交易成本，包括專業服務費、註冊費、向股東提供資訊發生的費用，將單個業務合併起來發生的成本或損失等其他與採用共同權益會計核算的共同控制企業合併有關的成本於發生時費用化。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(c) Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profits or losses is recognized in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognized in consolidated other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

2. 主要會計政策摘要(續)

2.2 綜合賬目(續)

(c) 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權的實體，通常附帶有20%至50%投票權的股權。於聯營公司之投資以權益法入賬。根據權益法，投資初始以成本確認，而賬面值被增加或減少以確認投資者享有被投資者在收購日期後的損益份額。本集團於聯營公司之投資包括收購時已識辨之商譽。在購買聯營企業的投資時，購買成本與本集團享有的對聯營企業可辨認資產和負債的公允價值淨額的差額確認為商譽。

如聯營公司的權益持有被削減但仍保留重大影響力，只有按比例將之前在其他綜合收益中確認的數額重新分類至損益(如適當)。

本集團應佔收購後聯營公司的盈利或虧損於綜合收益表內確認，而應佔收購後的其他全面收益表變動則於其他綜合收益表內確認，並相應調整賬面值。如本集團應佔一家聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其他無抵押應收款，本集團不會進一步確認虧損，除非本集團對聯營公司已產生法律或推定債務或已代聯營公司作出付款。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.2 Consolidation (continued)

2.2 綜合賬目 (續)

(c) Associates (continued)

(c) 聯營公司 (續)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to share of profit/(loss) of an associate in the income statement.

本集團在每個報告日期釐定是否有客觀證據證明聯營公司投資已減值。如投資已減值，本集團計算減值，數額為聯營公司可收回數額與其賬面值的差額，並在收益表中的「應佔聯營公司盈利／(虧損)」中確認。

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

本集團與其聯營公司之間的上游及下游交易的盈虧，在本集團的財務報表中確認，但僅限於無關連投資者在聯營公司權益的數額。除非交易提供證據顯示所轉讓資產已減值，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

Gain or losses on dilution of equity interest in associates are recognized in the income statement.

在聯營公司的攤薄盈虧於綜合收益表內確認。

(d) Jointly controlled entity

(d) 共同控制實體

The Group has applied HKFRS 11 "Joint arrangements" to all joint arrangements. According to HKFRS 11, Investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

本集團已對所有合營安排應用香港財務報告準則第11號。根據香港財務報告準則第11號，在合營安排的投資必須分類為共同經營或合營企業，視乎每個投資者的合同權益和義務而定。本公司已評估其合營安排的性質並釐定為合營企業。合營企業按權益法入賬。

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

根據權益法，合營企業權益初始以成本確認，其後經調整以確認本集團應佔收購後的盈利或虧損及在其他全面收益變動。當本集團享有某一合營企業的虧損超過或相等於在該合營企業的權益（包括任何實質上構成本集團在該合營淨投資的長期權益），則本集團不會進一步確認虧損，除非本集團已產生義務或已代合營企業付款。

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(d) Jointly controlled entity (continued)

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed to ensure consistency with the policies adopted by the Group.

2.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HKD"), which is the Company's functional currency and the Group's presentation currency.

2. 主要會計政策摘要 (續)

2.2 綜合賬目 (續)

(d) 共同控制實體 (續)

本集團與其合營企業之間的未變現交易盈利乃按本集團在該等合營企業的權益予以對銷。未變現虧損也予以對銷，除非交易提供證據證明所轉讓的資產出現減值。合營企業的會計政策已按需要作出改變，以確保與本集團所採納的政策符合一致。

2.3 獨立財務報表

附屬公司投資按成本扣除減值列賬。成本亦包括投資的直接歸屬成本。附屬公司的業績由本公司按已收及應收股息入賬。

如股息超過宣派股息期內附屬公司的總綜合收益，或如在獨立財務報表的投資賬面值超過綜合財務報表中被投資公司淨資產（包括商譽）的賬面值，則必須對附屬公司投資作減值測試。

2.4 分部報告

經營分部按照向主要經營決策者提供的內部報告貫徹一致的方式報告。主要經營決策者被認為作出策略性決定的執行董事負責分配資源和評估經營分部的表現。

2.5 外幣換算

(a) 功能和列賬貨幣

本集團各實體之財務報表所包括的項目，乃按該實體經營所在的主要經濟環境的貨幣（「功能貨幣」）計量。本綜合財務報表以港幣列示，此乃本公司的功能貨幣及本集團的列賬貨幣。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within "finance income or costs". All other foreign exchange gains and losses are presented in the consolidated income statement within "other income and other gains – net".

Changes in the fair value of debt securities denominated in foreign currency classified as available for sale are analyzed between currency translation differences resulting from changes in the amortized cost of the securities and other changes in the carrying amount of the securities. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in other comprehensive income.

Translation differences on non-monetary financial assets such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

2. 主要會計政策摘要 (續)

2.5 外幣換算 (續)

(b) 交易及結餘

外幣交易均按當日的匯率交易或項目重新計量時按估值換算為功能貨幣。除了現金流對衝或淨投資對衝造成的匯兌盈虧，結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在收益表內確認。

與貸款和現金及現金等價物有關的匯兌盈虧在綜合收益表內的「財務收入或成本」中列報。所有其他匯兌盈虧在綜合收益表內的「其他收入及其他收益－淨額」中列報。

被分類為可供出售且以外幣為單位的貨幣性證券的公允價值變動，按照證券的攤銷成本變動與該證券賬面值的其他變動所產生的換算差額進行分析。與攤銷成本變動有關的換算差額確認為盈虧，賬面值的其他變動則於其他全面收益中確認。

非貨幣性金融資產（例如以公允價值計量且其變動計入損益的權益）的換算差額列報為公允價值利得和損失的一部份。非貨幣性金融資產（例如分類為可供出售的權益）的換算差額包括在其他全面收益中。

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Foreign currency translation (continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that reporting;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognized in other comprehensive income.

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the company are reclassified to profit or loss.

2. 主要會計政策摘要 (續)

2.5 外幣換算 (續)

(c) 集團公司

功能貨幣與列賬貨幣不同的所有集團實體(當中沒有嚴重通脹的貨幣)的業績及財務狀況，乃按以下方式換算為列報貨幣：

- (i) 每份呈報的財務狀況表所呈列之資產及負債乃按其結算日之收市匯率換算；
- (ii) 每份收益表內的收入和費用乃按平均匯率換算(除非該平均匯率並不代表交易當日匯率的累計影響的合理約數；在此情況下，收支則按交易當日的匯率換算)；及
- (iii) 所有因此而產生的匯兌差額在其他全面收益中確認。

收購海外實體產生的商譽及公允價值調整視為該海外實體的資產和負債，並按收市匯率換算。產生的匯兌差額在其他全面收益中確認。

(d) 處置和部份處置海外業務

對於海外業務的處置(即處置集團在海外業務中的全部權益，或者處置涉及喪失對擁有海外業務的附屬公司的控制權，或涉及喪失對擁有海外業務的共同控制實體的共同控制權，或涉及喪失對擁有海外業務的聯營企業的控制權)，就該項經營累計計入權益的歸屬於公司權益持有者的所有匯兌差額均重分類至損益。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.5 Foreign currency translation (continued)

2.5 外幣換算 (續)

(d) Disposal of foreign operation and partial disposal (continued)

(d) 處置和部份處置海外業務 (續)

In the case of a partial disposal that does not result in the Group's losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or jointly controlled entities that do not result in the Group's losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

對於並不導致集團喪失對擁有海外業務的附屬公司的控制權的部份處置，集團在累計匯兌差額中的比例份額重新歸屬於非控制性權益並且不在損益中確認。對於所有其他部份處置（即集團在聯營企業或共同控制實體中的所有權益的減少並不導致集團喪失重大影響或共同控制權），集團在累計匯兌差額中的比例份額重分類至損益。

2.6 Property, plant and equipment

2.6 物業、機器及設備

Construction in progress represents the direct costs of construction of property, plant and equipment incurred plus interest capitalized less any impairment losses. No provision for depreciation is made on construction in progress until such time the relevant assets are completed and available for their intended use.

在建工程乃指興建物業、機器及設備所引起之直接並加上完工日前之資本化利息扣除任何減值虧損。在建工程不予折舊，直至相關資產完成及可供使用為止。

All other property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

所有其他物業、機器及設備按歷史成本扣除折舊及減值虧損列賬。歷史成本包括收購該等項目直接應佔的開支。

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

僅在與項目相關之日後經濟效益有可能流入本集團，而有關項目的成本能夠可靠地計量時，其後成本才包括在資產的賬面值或確認為一項獨立資產（如適用）。被替換部份資產賬目值終止確認。所有其他維修保養費用於其產生的財政期間於收益表中支銷。

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Property, plant and equipment (continued)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	20 years
Plant and machinery	5-10 years
Motor vehicles	5 years
Furniture, fixtures and equipment	5-10 years
Leasehold improvements	2-5 years or over the lease term, whichever is shorter

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "other income and other gains – net", in the consolidated income statement.

2.7 Land use rights

Land use rights are up-front payments to acquire long-term interests in the usage of land. They are stated at cost and charged to the consolidated income statement over the remaining period of the lease on a straight-line basis, net of any impairment losses.

2. 主要會計政策摘要 (續)

2.6 物業、機器及設備 (續)

物業、機器及設備以直線法計算折舊，並按估計可使用年期分配至其剩餘價值，估計可使用年期如下：

樓宇	20年
機器及設備	5至10年
汽車	5年
傢俬、裝置及設備	5至10年
租賃物業改良	2至5年或 按租賃年期， 以較短者為準

於每個結算日均會檢討資產剩餘價值及可使用年期，並在適當情況下作出調整。倘資產賬面值高於其估計可收回金額，該資產的賬面值即時被撇減至其可收回金額（附註2.9）。

出售盈虧乃比較所得款項與賬面值而釐定，在收益表內的「其他收入及其他收益－淨額」中確認。

2.7 土地使用權

土地使用權是為在使用土地時獲取長期利益而預先支付的款項。土地使用權所預付租賃款在租賃期內按照直線法扣除任何減值虧損在綜合收益表中支銷。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.8 Intangible assets

2.8 無形資產

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

(b) Customer relationships and non-competition agreement

Customer relationships and non-competition agreement acquired as part of a business combination are capitalized separately from goodwill and are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated using the straight-line method to allocate the cost of the intangible assets over their estimated useful lives of 10 years.

(a) 商譽

商譽產生自收購附屬公司並相當於所轉讓對價、被收購方的任何非控制性權益數額，及在被收購方之前任何權益在收購日期的公允價值，超過購入可辨識淨資產公允價值之數額。

就減值測試而言，在業務合併中購入的商譽會分配至每個現金產出單元或現金產出單元組（預期可從合併中獲取協同利益）。商譽被分配的每個單元或單元組指在主體內商譽被監控作內部管理用途的最低層次。商譽在經營分部層次進行監控。

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。商譽賬面值與可收回數額（使用價值與公允價值減出售成本較高者）比較。任何減值須即時確認及不得在之後期間撥回。

(b) 客戶關係及非同業競爭協議

客戶關係及非同業競爭協議為業務合併的一部份，並已資本化與商譽分開，按成本減累計攤銷及累計減值虧損列賬。攤銷以直線法將無形資產的成本按其估計可使用年期10年計算。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Intangible assets (continued)

(c) Trademarks and licenses

Separately acquired trademarks and licenses are shown at historical cost. Trademarks and licenses acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives of 10 to 20 years.

(d) Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of 3 to 5 years.

(e) Patent

Patent includes purchased technology and skills acquired from third parties. They have a finite useful life and carried at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated using the straight-line method to allocate the cost of the technology and skills over their estimated useful life of 3 to 10 years.

2. 主要會計政策摘要 (續)

2.8 無形資產 (續)

(c) 商標及許可證

分開購入的商標及許可證按歷史成本列賬。在業務合併中購入的商標及許可證按購買日的公允價值列賬。商標及許可證具有有限可使用年期，按成本減累計攤銷和累計減值準備列賬。攤銷以直線法將商標的成本按其估計可使用年期10至20年計算。

(d) 電腦軟件

購入的電腦軟件牌照按購入及使用該特定軟件達到可使用時所產生的成本作資本化處理。此等成本按估計可使用年期(三至五年)攤銷。

(e) 專利

專利乃購自第三方的技術並具有有限可使用期，按成本減累計攤銷及及累計減值虧損列賬。攤銷以直線法將專利及技術的成本按其估計可使用年期3至10年計算。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Assets held for sale

Assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The non-current assets (except for deferred tax assets and financial assets) are stated at the lower of carrying amount and fair value less costs to sell. Deferred tax assets and financial assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 2.

2.11 Financial assets

2.11.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

2. 主要會計政策摘要 (續)

2.9 非金融資產的減值

不確定使用年期之資產(如商譽或尚未可供使用的無形資產)無需攤銷，但最少每年就減值進行測試。各項資產，當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行檢討。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產之公允價值扣除銷售成本或使用價值兩者之較高者為準。於評估減值時，資產按可分開識別現金流量(現金產出單位)的最低層次組合。除商譽外，已蒙受減值的非金融資產在每個報告日期均就減值是否可以撥回進行檢討。

2.10 持作出售資產

當持作出售資產的賬面值將主要透過一項出售交易收回而該項出售被視為極可能時，分類為持作出售的資產。該等非流動資產(除遞延所得稅資產及金融資產外)按賬面值與公允價值減去處置費用兩者的較低者列賬。遞延所得稅資產及金融資產即使持作出售，亦應按照年度財務報告附註二所列示之會計政策計量。

2.11 金融資產

2.11.1 分類

本集團將其金融資產分為以下類別：以公允價值計量且其變動計入損益，貸款及應收款項及可供出售。分類視乎購入財務資產之目的。管理層在初始確認時確定財務資產的分類。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.11 Financial assets (continued)

2.11 金融資產 (續)

2.11.1 Classification (continued)

2.11.1 分類 (續)

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(a) 以公允價值計量且其變動計入損益的金融資產

以公允價值計量且其變動計入損益的金融資產指交易性金融資產。金融資產若在購入時主要用作在短期內出售，則分類為此類別。衍生工具除非被指定為套期，否則亦分類為持作交易性。在此類別的資產假若預期在12個月內結算，分類為流動資產；否則分類為非流動資產。

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group and Company's loans and receivables comprise "trade and other receivables", "cash and cash equivalents", "amount due from subsidiaries" and "short-term time deposits" in the statements of financial position.

(b) 貸款及應收款項

貸款及應收款為固定或可釐定付款且沒有在活躍市場上報價的非衍生金融資產。此等款項包括在流動資產內，但若由結算日起計超過12個月到期者，則分類為非流動資產。貸款及應收款列示於財務狀況表中「貿易及其他應收款項」、「現金及現金等價物」、「應收附屬公司款項」及「短期定期存款」內。

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(c) 可供出售金融資產

可供出售金融資產為被指定作此類別或並無分類為任何其他類別的非衍生工具。除非投資到期或管理層有意在結算日後12個月內處置該投資，否則此等資產列在非流動資產內。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.11 Financial assets (continued)

2.11 金融資產 (續)

2.11.2 Recognition and measurement

2.11.2 確認和計量

Regular way purchases and sales of financial assets are recognized on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

常規購入及出售的金融資產在交易日確認—交易日指本集團承諾購入或出售該資產之日。對於並非按公允價值透過損益記賬的所有金融資產，其投資初步按公允價值加交易成本確認。以公允價值計量且其變動計入損益的金融資產，初始按公允價值確認，而交易成本則在收益表中支銷。當從投資收取現金流量的權利經已到期或經已轉讓，而本集團已將擁有權的所有風險和回報實際轉讓時，金融資產即終止確認。可供出售金融資產以公允價值計量且其變動計入損益的金融資產其後按公允價值列賬。貸款及應收款其後利用實際利息法按攤銷成本列賬。

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in the income statement within “other income and other gains – net” in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the income statement as part of other income when the Group’s right to receive payments is established.

以公允價值計量且其變動計入損益的金融資產類別的公允價值變動所產生的利得或損失，於其產生的期間呈列在利潤表的「其他收入及其他收益—淨額」內。以公允價值計量且其變動計入損益的金融資產的股利收入，當集團收取款項的權利確定時列為其他收入的一部份。

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognized in other comprehensive income.

分類為可供出售的貨幣性及非貨幣性證券的公允價值變動在其他全面收益表中確認。

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the income statement as “other income and other gains – net”.

當分類為可供出售的證券售出或減值時，在權益中確認的累計公允價值調整列入收益表內作為「其他收入及其他收益—淨額」。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial assets (continued)

2.11.2 Recognition and measurement (continued)

Dividends on available-for-sale equity instruments are recognized in the consolidated income statement as part of other income when the Group's right to receive payments is established.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.13 Impairment of financial assets

(a) Assets carried at amortized cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2. 主要會計政策摘要 (續)

2.11 金融資產 (續)

2.11.2 確認和計量 (續)

可供出售權益工具的股息，當本集團收取有關款項的權利確定時，在綜合收益表內確認為其他收入的一部份。

2.12 抵銷金融工具

當有法定可執行權力可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在財務狀況表報告其淨額。法定可執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時，這也必須具有約束力。

2.13 金融資產減值

(a) 以攤銷成本列賬的資產

本集團於每個結算日評估是否存在客觀證據證明某一金融資產或某一組金融資產出現減值。只有當存在客觀證據證明於首次確認資產後發生一宗或多宗事件導致出現減值（「虧損事項」），而該宗（或該等）虧損事項對該項或該組金融資產的估計未來現金流量構成的影響可以合理估計，有關的金融資產或金融資產組才算出現減值及產生減值虧損。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Impairment of financial assets (continued)

(a) Assets carried at amortized cost (continued)

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated income statement.

2. 主要會計政策摘要 (續)

2.13 金融資產減值 (續)

(a) 以攤銷成本列賬的資產 (續)

減值虧損的證據可包括債務人或一組債務人遇上嚴重財務困難、逾期或拖欠償還利息或本金、債務人很有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流有可計量的減少，例如與違約有相互關連的拖欠情況或經濟狀況改變。

對於貸款及應收款類別，其損失金額乃根據資產賬面值與金融資產按原實際利率貼現而估計未來現金流量（不包括仍未產生的未來信用損失）的現值兩者的差額計量。資產賬面值予以削減，而損失金額則在綜合收益表確認。如貸款或持有到期的投資有浮動利率，計量任何減值損失的貼現率為按合同釐定的當前實際利率。在實際應用中，集團可利用可觀察的市場價格，按工具的公允價值計量減值。

如在較後期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件（例如債務人的信用評級有所改善），則之前已確認的減值虧損可在綜合收益表撥回。

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(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Impairment of financial assets (continued)

(b) Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its costs is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in the consolidated income statement. Impairment losses recognized in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

2.14 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.15 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

2. 主要會計政策摘要 (續)

2.13 金融資產減值 (續)

(b) 可供出售資產

本集團於每個結算日評估是否存在客觀證據證明某一金融資產或某一組金融資產出現減值。至於分類為可供出售的權益投資，證券公允價值的大幅度或長期跌至低於其成本值，亦是證券已經減值的證據。若可供出售金融資產存在此等證據，累計虧損—按收購成本與當時公允價值的差額，減該金融資產之前在損益確認的任何減值虧損計算—自權益中剔除並在收益中記賬。在綜合收益表確認的權益工具的減值虧損不會透過綜合收益表撥回。

2.14 存貨

存貨按成本及可變現淨值兩者中的較低者列賬。成本按加權平均法釐定。製成品及在製品的成本主要包括原材料、直接勞工、其他直接成本及相關的生產開支（根據正常營運能力）。這不包括貸款成本。可變現淨值乃按正常業務過程中的估計售價，減去適用的變動銷售開支計算。

2.15 貿易及其他應收款項

貿易應收賬款為在日常經營活動中就商品銷售或服務執行而應收客戶的款項。如貿易應收賬款及其他應收款的收回預期在一年或以內（如仍在正常經營週期中，則可較長時間），其被分類為流動資產；否則分類為非流動資產。

貿易及其他應收款項最初以公允價值確認，其後以實際利息法按攤銷成本扣除減值撥備計量。

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments.

2.17 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects is included in equity attributable to owners of the Company.

2.18 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2. 主要會計政策摘要 (續)

2.16 現金及現金等價物

現金及現金等價物包括手頭現金、銀行通知存款及其他短期高流動性投資。

2.17 股本

普通股列為權益。

直接歸屬於發行新股或購股權的新增成本在權益中列為所得款的減少(扣除稅項)。

如任何集團公司購入本公司的權益股本(庫存股份)，所支付的對價，包括任何直接所佔的新增成本(扣除所得稅)，自歸屬於本公司權益持有人的權益中扣除，直至股份被註銷或重新發行為止。如股份其後被重新發行，任何已收取的對價(扣除任何直接所佔的新增交易費用及相關受影響的所得稅)包括在歸屬於本公司權益持有人的權益。

2.18 貸款

貸款按公允價值並扣除產生的交易費用為初始確認。貸款其後按攤銷成本列賬；所得款(扣除交易成本)與贖回價值的任何差額利用實際利率法於貸款期間內在收益表確認。

設立貸款融資時支付的費用倘部份或全部融資將會很可能提取，該費用確認為貸款的交易費用。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部份或全部融資將會很可能被提取，則該費用資本化作為流動資金服務的預付款，並按有關的融資期間攤銷。

除非本集團可無條件將負債的結算遞延至結算日後最少12個月，否則貸款分類為流動負債。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要(續)

2.19 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are charged to the consolidated income statement in the period in which they are incurred.

2.20 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.21 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity respectively.

2.19 貸款成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間籌備以作其預定用途或銷售的資產)的一般及特定貸款成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

就特定貸款，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的貸款成本中扣除。

所有其他的貸款成本都在發生時計入發生年度的綜合收益表。

2.20 貿易應付款

貿易應付賬款為在日常經營活動中購買商品或服務而應支付的債務。如應付款的支付日期在一年或以內(如仍在正常經營週期中，則可較長時間)，其被分類為流動負債；否則分類為非流動負債。

貿易應付款初步以公允價值確認，其後利用實際利息法按攤銷成本計量。

2.21 當期及遞延所得稅

本期間的稅項支出包括當期和遞延稅項。稅項在綜合收益表中確認，但與其他綜合全面收益中或直接在權益中確認的項目有關者則除外。在該情況下，稅項亦分別在其他綜合全面收益或直接在權益中確認。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.21 Current and deferred income tax (continued)

2.21 當期及遞延所得稅 (續)

(a) Current income tax

(a) 當期所得稅

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries, associates and jointly controlled entity operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

當期所得稅支出根據本公司、其附屬公司、聯營公司及共同控制實體營運及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

(b) Deferred income tax

(b) 遞延所得稅

Inside basis difference

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

內在差異

遞延所得稅以負債法就資產與負債的稅基與資產和負債在綜合財務報表的賬面值之差額產生的暫時差異。然而，若遞延所得稅來自商譽的初始確認，以及若遞延所得稅來自在交易（不包括企業合併）中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延稅項採用在結算日前已頒佈或實質上頒佈，並在有關之遞延所得稅資產實現或遞延所得稅負債結算時預期會將適用之稅率（及法例）而釐定。

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

遞延所得稅資產於有可能出現未來應課稅溢利抵銷暫時差額時方會確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.21 Current and deferred income tax (continued)

2.21 當期及遞延所得稅 (續)

(b) *Deferred income tax (continued)*

(b) *遞延所得稅 (續)*

Outside basis differences

外在差異

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognized.

就子公司、聯營和合營投資產生的應課稅暫時性差異確認遞延所得稅負債，但不包括本集團可以控制暫時性差異的轉回時間以及暫時性差異在可預見將來很可能不會轉回的遞延所得稅負債。一般而言，本集團無法控制聯營的暫時性差異的撥回。只有當有協議賦予本集團有能力控制暫時性差異的撥回時才不予確認。

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

就子公司、聯營和合營投資產生的可扣減暫時性差異確認遞延所得稅資產，但只限於暫時性差異很可能在將來轉回，並有充足的應課稅利潤抵銷可用的暫時性差異。

(c) *Offsetting*

(c) *抵銷*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

當有法定可執行權利將當期稅項資產與當期稅項負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅實體或不同課稅實體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.22 Employee benefits

2.22 僱員福利

(a) Pension obligations

(a) 退休金責任

The Group operates the Mandatory Provident Fund Scheme ("MPF Scheme") in Hong Kong which is generally funded through payments to insurance companies under defined contribution plan. It pays contributions to administered pension insurance plans on a mandatory, contractual or voluntary basis. Moreover, all the employees of the Group's entities incorporated in Mainland China of the PRC (the "Mainland China") participate in employee social security plans, including pension, medical, housing and other welfare benefits, organized and administered by the local governments. The Group also makes defined contribution to retirement schemes managed by the insurance company in accordance with German regulation and rules for the employees of the subsidiary located in Germany. The Group has no further payment obligations once these contributions have been paid. The contributions are recognized as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. No pension obligation is required under the Botswana laws and regulation.

本集團於香港設有強制性公積金計劃(「強積金計劃」)，該計劃一般透過根據定額供款向保險公司付款而注資。本集團向管理退休保險計劃作出強制、合約或自願性質供款。此外，所有身為本集團於中華人民共和國(「中國內地」)註冊成立實體之僱員，均已參與由地方政府組織及管理之僱員社會保障計劃，涵蓋退休金、醫療、房屋及其他社會福利。本集團根據德國相關法律和法規為設立於德國的附屬公司之合資格僱員根據定額供款退休計劃向有關保險公司作出供款。本集團的香港公司一經繳付供款後再無進一步付款責任。供款於應付時確認為僱員福利開支，並可由歸屬前離開計劃的僱員所放棄的全數供款撇減。預付供款按照現金退款或未來款項減少而確認為資產。根據博茨瓦納的法律及法規，並無退休金責任的要求。

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Employee benefits (continued)

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognizing the expense during the period between service commencement period and grant date. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

2. 主要會計政策摘要 (續)

2.22 僱員福利 (續)

(b) 以股份支付之酬金

本公司設有一項按權益償付，以股份支付酬金的計劃。根據該計劃，主體收取僱員的服務作為本集團權期工具（購股權）的對價。僱員為換取獲授予購股權而提供服務的公允價值確認為費用。作為費用的總金額，乃參照已授出的購股權之公允價值釐定：

- 包括任何市場條件（例如實體的股價）；
- 不包括任何非市場歸屬條件（例如盈利，銷售增長目標及僱員在某特定時期內留任實體的影響）；及
- 包括任何非歸屬條件（例如規定僱員儲蓄）的影響。

非市場表現和服務條件包括在有關預期可予行使購股權數目的假設中。費用的總金額在歸屬期間內確認，歸屬期間指將符合所有特定可行權條件的期間。此外，在某些情況下，僱員可能在授出日期之前提供服務，因此授出日期的公允價值就確認服務開始期與授出日期之間期內的開支作出估計。在每個報告期末，集團依據非市場表現和服務條件修訂其對預期可行權的購股權數目的估計。主體在收益表確認對原估算修訂（如有）的影響，並對權益作出相應調整。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Employee benefits (continued)

(b) Share-based compensation (continued)

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2.23 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value-added taxes. The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods

Sales of goods are recognized when a group entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assumed.

Delivery does not occur until the products have been delivered to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

2. 主要會計政策摘要 (續)

2.22 僱員福利 (續)

(b) 以股份支付之酬金 (續)

在購股權行使時，本公司發行新股份。當購股權獲行使時，已收取所得款項（扣除任何直接應佔交易成本）均列入股本（面值）及股份溢價中。

2.23 收入確認

收入按已收或應收對價的公允價值計量，並相當於供應貨品的應收款項，扣除折扣、退貨和增值稅後列賬。當收入的金額能夠可靠計量、未來經濟利益很有可能流入有關實體，及當本集團每項活動均符合具體條件時（如下文所述），本集團便會將收入確認。本集團會根據其往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

(a) 貨品銷售

銷售貨品於本集團實體送交貨品予客戶，客戶接受該產品，銷售額能夠可靠計量以及有關應收款的收回可合理確保時確認入賬。

當產品已付運予至指定地點，過時和損失風險已轉讓予客戶，而客戶已根據銷售合同接收產品、或所有接收條款已作廢，或本集團有客觀證據顯示所有接收條款已經履行後，貨品交付才算產生。

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Revenue recognition (continued)

(b) Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired receivables is recognized using the original effective interest rate.

(c) Dividend income

Dividend income is recognized when the right to receive payment is established.

2.24 Research and development costs

Research expenditure is recognized as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognized as intangible assets when the following criteria are fulfilled:

- (a) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (b) the management intends to complete the intangible asset and use or sell it;
- (c) there is an ability to use or sell the intangible asset;
- (d) it can be demonstrated how the intangible asset will generate probable future economic benefits;
- (e) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- (f) the expenditure attributable to the intangible asset during its development can be reliably measured.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding five years.

2. 主要會計政策摘要(續)

2.23 收入確認(續)

(b) 利息收入

利息收入採用實際利息法按時間比例基準確認入賬。倘應收款項出現減值時，本集團會將賬面值撇減至可收回款額，即估計的未來現金流量按該工具之原有效利率貼現值，並繼續將貼現計算並確認為利息收入。已減值應收款的利息收益利用有效利率確認。

(c) 股息收入

股息收入在收取款項的權利確定時確認。

2.24 研發成本

研究費用於產生時確認為支出。倘開發中項目(有關設計及測試全新或經改良產品)所產生之費用，符合下列條件的確認為無形資產：

- (a) 產品技術上可行並可完成該無形資產並能出售或使用；
- (b) 管理層有意完成該無形資產並出售或使用；
- (c) 有能力使用或出售該無形資產；
- (d) 可證明該無形資產如何為將來產生經濟效益；
- (e) 足夠的技術、財務及其他資源可完成開發及使用或出售該無形資產；及
- (f) 於開發該無形資產時的成本能可靠計量。

資本化的研發費用計入無形資產並在資產達到可使用狀態時採用直線法在使用壽命內開始攤銷，使用年限不會超過5年。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Research and development costs (continued)

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Development assets are tested for impairment annually. No development costs had been capitalized for the year ended 31 March 2015 (2014: Nil).

2.25 Operating lease

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

2.26 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

2.27 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's and Company's financial statements in the period in which the final dividends are approved by the Company's shareholders and interim dividends are approved by the Company's Board of Directors.

2. 主要會計政策摘要 (續)

2.24 研發成本 (續)

其他研發費用於產生時如不符合上述條件的均會確認為費用。過往確認作費用之開發成本在其後期間並不確認為資產。

研發資產每年進行減值測試。在截至二零一五年三月三十一日止年度內並無任何發展成本已資本化(二零一四年：無)。

2.25 經營租賃

凡資產擁有權的大部份風險及回報仍歸出租人所有的租賃，均列作經營租賃。根據經營租賃的付款(扣除出租人給予的任何優惠)在租期內以直線法於損益表支銷。

2.26 政府補貼

當能夠合理地保證本集團符合所有附帶條件而將收取政府補貼時，政府提供的補貼按公允價值確認入賬。

與成本有關之政府補貼遞延入賬，按擬補償成本之相應期間在綜合收益表確認。

與購買物業、機器及設備有關之政府補貼列入非流動負債作為遞延收入，按有關資產之預計年期以直線法在綜合收益表確認。

2.27 股息分派

向本公司股東分派的期末股息在股息獲本公司股東批准的期間內，中期股息在獲本公司董事會批准的期間內，於本集團及本公司的財務報表內列為負債。

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk, and fair value interest rate risk), credit risk and liquidity risk. The Group does not have any significant price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out under the policies approved by the Board of Directors. The Group identifies and evaluates financial risks in close co-operations with its operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investing of excess liquidity.

(a) *Market risk*

(i) **Foreign exchange risk**

The Group mainly operates in Hong Kong and Mainland China and is exposed to foreign exchange risk primarily through financial instruments that are denominated in a currency other than the functional currency in which they are measured. The functional currency of the PRC subsidiaries is RMB, and the functional currency of the HK subsidiaries is HKD. The foreign exchange risk of the Group primarily arises from borrowings which are denominated in EURO ("EUR") and dividend receivables which are denominated in RMB. The exchange rate of HKD against RMB and cash repatriation from the PRC are subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group did not have other significant exposure to foreign exchange risk as the majority of the subsidiaries of the Group are operated in the PRC and most of their transactions are denominated in RMB and the value of RMB has been appreciating against HKD in recent years.

3. 財務風險管理

3.1 財務風險因素

本集團的活動面對多項財務風險：市場風險（包括外匯風險、現金流量之利率風險及公允價值之利率風險）、信貸風險及流動性風險。本集團無重大的價格風險。本集團的整體風險管理計劃專注於財務市場的難預測性，並尋求儘量減低對本集團財務表現的潛在不利影響。

風險管理按照董事會批准的政策執行、確定和評估財務風險。集團經營單位緊密合作以確定和評估財務風險。董事會為整體風險管理訂定指引，亦為若干特定範疇提供政策，例如外匯風險、利率風險、信貸風險，以及投資剩餘的流動資金。

(a) *市場風險*

(i) **外匯風險**

本集團主要於香港及中國內地經營，主要外匯風險乃源自計量除功能貨幣以外的一種貨幣的金融工具。於中國境內之附屬公司的功能貨幣為人民幣，而於香港的附屬公司之功能貨幣則為港幣。本集團的外匯風險主要來自以歐元為單位的貸款及以人民幣為單位的應收股利。人民幣兌港幣之匯率以及從中國內地匯出之款項須遵守中國政府頒佈之外匯管制條例及規例。由於本集團之主要附屬公司乃於國內經營及其大部份的交易以人民幣計算，且人民幣對港幣於近年來一直在升值，故本集團並無重大貨幣風險。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

If HKD had strengthened/weakened by 5% against RMB and EUR during the year ended 31 March 2015, with all other factors remaining unchanged, the profit before income tax for the year would have been affected as follows:

Group	本集團
- Strengthened by 5%	— 升值5%
- Weakened by 5%	— 貶值5%
Company	本公司
- Strengthened by 5%	— 升值5%
- Weakened by 5%	— 貶值5%

(ii) Cash flow and fair value interest rate risk

Other than deposits held in banks, the Group does not have significant interest-bearing assets. Fluctuation of market rates does not have a significant impact to the Group's performance.

The Group's exposure to changes in interest rates is mainly attributable to its borrowings which are at floating rates, and expose the Group to cash flow interest-rate risk.

At 31 March 2015, if interest rates on borrowings had been 2 percentage points higher/lower, with all other variables held constant, there would be no material impact to the profit for the year.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

截至二零一五年三月三十一日止年度內，假若港幣兌人民幣及歐元升值／貶值5%，而所有其他因素維持不變，則對本年度除稅前盈利的影響如下：

Higher/(lower) 增加/(減少)	
2015 二零一五年	2014 二零一四年

(7,092) (35,500)

7,092 35,500

7,256 —

(7,256) —

(ii) 現金流量及公允值之利率風險

除存放於銀行的存款以外，本集團並無重大計息資產。市場利率的變動對本集團的表現無重大影響。

集團面臨的利率變動風險主要來自按浮動利率發行的貸款，令本集團承受現金流量利率風險。

於二零一五年三月三十一日，在其他因素不變的情況下，若貸款利率上升／下降兩個百分點，對本年盈利並無重大影響。

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, credit exposure to customers and related parties arising from outstanding receivables.

As at the reporting dates, all the Group's cash and cash equivalents and short-term time deposits are placed in high quality financial institutions without significant exposure to credit risk.

The Group currently sells substantially all its flavours, fragrances and reconstituted tobacco leaves products in the PRC domestic market. Credit is granted for a period up to 6 months to the major customers. The credit period is determined according to an assessment made on the financial conditions and past payment history of these customers with the approval obtained from senior management. As at 31 March 2015, the 5 largest debtors accounted for 39% (2014: 45%) of total trade receivables balance of the Group.

The Directors are of the view that most customers with outstanding balances as at 31 March 2015 are either existing customers with a long business relationship with the Group and/or reputable companies in the industry. The risk of credit default is considered to be low and accordingly, the provision for doubtful debts as at 31 March 2015 amounting to approximately HKD7,044,000 (2014: HKD7,787,000) is considered adequate to cover any significant potential credit risk.

The Company also recorded some balances due from subsidiaries. The Directors do not consider that there is significant credit risk arising from these balances in light of the past repayment history and operations of these subsidiaries.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險

信貸風險是按照組合方式管理。信貸風險主要來自存放於銀行及其他財務機構的存款及現金及現金等價物、信貸予客戶及關聯人士之未償付的應收款項。

於結算日，本集團所有的現金及現金等價物及短期定期存款均存放於優質及無重大信貸風險的財務機構。

本集團現時主要於中國本地市場銷售其食用香精香料、日用香精香料、煙草薄片及新材料產品。授予主要客戶的信貸期為6個月。信貸期的確定乃根據該客戶的財務條件及過往付款紀錄評估得出並獲得高級管理層的核准。於二零一五年三月三十一日，五大客戶佔本集團總貿易應收款項結餘約39% (二零一四年：45%)。

董事認為於二零一五年三月三十一日大多數的存在未償還結餘的客戶多數為與本集團具有長期業務關係的現有客戶及／或於其行業具有良好信譽的客戶，故信貸風險相對較低，於二零一五年三月三十一日約港幣7,044,000元 (二零一四年：港幣7,787,000元) 的減值撥備足夠覆蓋任何重大潛在的信貸風險。

就本公司應收附屬公司款項，在考慮其以往還款情況及業務狀況後，管理層亦不預期其存在重大信貸風險。

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

3. FINANCIAL RISK MANAGEMENT (continued)

3. 財務風險管理 (續)

3.1 Financial risk factors (continued)

3.1 財務風險因素 (續)

(c) Liquidity risk

(c) 流動性風險

Cash flow forecast is performed in the operating entities of the Group. The Directors monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs and that the Group does not breach borrowing covenants on its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and if applicable, external regulatory or legal requirements – for example, currency restrictions.

現金流量預測是在集團的經營主體執行。董事監控集團的流動資金需求的滾動預測，確保有足夠資金應付經營需要，但同時確保集團不違反其貸款條款。此等預測考慮了集團債務融資計劃、條款遵從、符合內部財務狀況表比率目標，及外部的監管或法例規定 – 例如貨幣限制（如適用）。

The table below analyzes the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

下表顯示本集團及本公司的金融負債按照相關的到期組別，根據由資產負債表日至合同到期日的剩餘期間進行分析。在表內披露的金額為未經貼現的合同現金流量。金額在一年內到期乃相等於其賬面值是由於貼現的影響不重大。

		The Group 本集團	The Company 本公司
		Less than 1 year	Less than 1 year
	Note 附註	一年以下	一年以下
At 31 March 2015			
Borrowings (including accrued interest)	於二零一五年三月三十一日 貸款 (包括應計利息)	761,469	745,928
Trade and other payables excluding statutory liabilities and advance	貿易及其他應付款項 (不包括法定債項及預付款)	449,584	3,030
	23		
At 31 March 2014			
Borrowings (including accrued interest)	於二零一四年三月三十一日 貸款 (包括應計利息)	541,264	525,843
Trade and other payables excluding statutory liabilities and advance	貿易及其他應付款項 (不包括法定債項及預付款)	595,416	2,302
	23		

As at 31 March 2015, the Group's net current assets is HKD4,454,334,000 (2014: HKD4,068,533,000).

於二零一五年三月三十一日，本集團之流動資產淨值為港幣4,454,334,000元（二零一四年：港幣4,068,533,000元）。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The operating cash inflows of the Group are sufficient for investing activities including acquisition of new businesses.

The Group monitors its capital risk based on the debt-to-equity ratio. This ratio is calculated by dividing the net debt by the total owners' equity. As at 31 March 2015, the Group's net debt is zero (2014: zero), which is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents. Therefore the Group's debt-to-equity ratio is zero as at 31 March 2015 and 2014.

3.3 Fair value estimation

The following categorizes 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 price (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).

3. 財務風險管理 (續)

3.2 資本風險管理

本集團的資本管理政策目的是保障其能繼續營運，以為股東提供回報和為其他權益持有人提供利益，同時維持最佳的資本結構以減低資金成本。

為了維持或調整資本結構，本集團可能會調整支付予股東的股息數額、向股東分派的資本返還、發行新股或出售資產以減低債務。

本集團經營活動產生的現金流可足夠用於投資活動包括收購新業務。

本集團以資本負債比率監察其資本風險。此比率乃按照債務淨額除以總資本計算。於二零一五年三月三十一日，本集團之債務淨額為零(二零一四年：零)。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。因此，本集團於二零一五年及二零一四年三月三十一日的資本負債比率為零。

3.3 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1層所包括的報價外，該資產和負債的可觀察的其他輸入，可直接(即例如價格)或間接(即源自價格)(第二層)；
- 資產和負債並非依據可觀察市場數據的輸入(即不可觀察輸入)(第三層)。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

The financial assets of level 1 within the fair value hierarchy as at 31 March 2015 was the financial assets at fair value through profit or loss. The fair value of this financial instrument traded in active markets is based on quoted market prices at the balance sheet 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 held by the group is the current bid price.

The financial assets of level 3 within the fair value hierarchy as at 31 March 2015 and 2014 were the available-for-sale financial assets, of which the changes for the year ended 31 March 2015 and 2014 are presented in Note 12. There were no transfers into or out of level 3.

Other than available-for-sale financial assets and financial assets at fair value through profit or loss, there are no financial instruments that were measured at fair value as at 31 March 2015 and 2014.

Market approach is adopted in valuation of available-for-sale financial assets. There were no changes in valuation techniques during the year.

3.4 Group's valuation processes

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

3.5 Fair value of financial assets and liabilities measured at amortized cost

The fair values of financial assets and liabilities measured at amortized cost approximate their carrying amounts.

3. 財務風險管理 (續)

3.3 公允價值估計 (續)

於二零一五年三月三十一日，第一類公允價值架構內之金融資產為以公允價值計量且其變動計入損益的金融資產。在活躍市場買賣的金融工具的公允價值根據資產負債表日的市場報價列賬。當報價可即時和定期從證券交易所、交易商、經紀、業內人士、定價服務者或監管代理獲得，而該等報價代表按公平交易基準進行的實際和常規市場交易時，該市場被視為活躍。本集團持有的金融資產的市場報價為當時買方報價。

於二零一五年及二零一四年三月三十一日，第三類公允價值架構內之金融資產為可供出售金融資產，其中在二零一五年及二零一四年三月三十一日止年度的變動於附註12內呈列。概無任何金融資產於第三層架構類別轉入或轉出。

除可供出售金融資產，於二零一五年及二零一四年三月三十一日，並無金融工具乃按公允價值計量。

可供出售金融資產的估值乃採用市場法。年內，估值技巧並無變動。

3.4 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，並在需要時由一個獨立評估機構的協助下對金融資產的估值，包括有關第3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6個月舉行一次討論估值流程與其結果。

3.5 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。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.9. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 8).

If the budgeted gross margin or estimated pre-tax discount rate used in the value-in-use calculation for the CGUs of flavours segment had been 23 percentage points lower or 6 percentage points higher than management's estimates at 31 March 2015 respectively, with all other assumptions remaining unchanged, the Group would not have recognized an impairment of goodwill.

If the budgeted gross margin or estimated pre-tax discount rate used in the value-in-use calculation for the CGUs of reconstituted tobacco leaves segment had been 14 percentage points lower or 6 percentage points higher than management's estimates at 31 March 2015 respectively, with all other assumptions remaining unchanged, the Group would not have recognized impairment of goodwill.

4. 關鍵會計估計及判斷

估算和判斷會被持續評估，並基於過往經驗及其他因素，包括在有關情況下相信對未來事件的合理預測。

4.1 關鍵會計估計及假設

本集團為未來作出估算及假設。所得之會計估計如其定義，很少與相關的實際結果相符。涉及導致資產及負債之賬面值可能於下一個財政年度內須作出重大調整之估計及假設如下：

(a) 商譽減值之估計

根據附註2.9所述的會計政策，本集團每年測試商譽是否出現減值。現金產生單位的可收回金額按照使用價值計算而釐定。此等計算均需利用估算（附註8）。

如果食用香精香料業務的現金產生單位的使用價值計算中所使用的預計毛利率及估計稅前貼現率較管理層在二零一五年三月三十一日估計的分別下降／增加23或6個百分點，其他假設保持不變，本集團無需對商譽確認減值。

如果煙草薄片業務的現金產生單位的使用價值計算中所使用的預計毛利率及估計稅前貼現率較管理層在二零一五年三月三十一日估計的分別下降／增加14或6個百分點，其他假設保持不變，本集團無需對商譽確認減值。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

(a) *Impairment of goodwill (continued)*

If the budgeted gross margin or estimated pre-tax discount rate used in the value-in-use calculation for the CGUs of fragrances segment had been 7 percentage points lower or 5 percentage points higher than management's estimates at 31 March 2015 respectively, with all other assumptions remaining unchanged, the Group would not have recognized impairment of goodwill.

(b) *Dividends policy of subsidiaries*

According to the relevant regulations of the Corporate Income Tax Laws, when a foreign investment enterprise distributes dividends out of the profits earned from 1 January 2008 onwards to its overseas investors, it will be subject to withholding income tax. The applicable withholding income tax rate varies with the origin of the overseas investors.

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 on the treaty rate will be obtained. Therefore, deferred income tax liabilities had been provided based on 5% of the estimated profits to be remitted to Hong Kong.

As at 31 March 2015, deferred income tax liabilities of HKD358,457,000 (31 March 2014: HKD304,462,000) have not been recognized for the withholding tax that would be payable on the unremitted profits of certain PRC subsidiaries. The Directors have determined not to distribute these earnings.

The Directors will regularly review the funding requirements of the Group and thus revise the dividend distribution policy of its subsidiaries as appropriate.

4. 關鍵會計估計及判斷 (續)

4.1 關鍵會計估計及假設 (續)

(a) *商譽減值之估計 (續)*

如果日用香精香料業務的現金產生單位的使用價值計算中所使用的預計毛利率及估計稅前貼現率較管理層在二零一五年三月三十一日估計的分別下降／增加7或5個百分點，其他假設保持不變，本集團無需對商譽確認減值。

(b) *附屬公司之股息政策*

根據企業所得稅法的有關規定，當外商投資企業向境外投資者分派自二零零八年一月一日起產生的盈利作為股息，需要徵收所得稅，並根據外商投資者所處之不同地區適用不同的所得稅率。

本公司董事預計會將某些中國大陸附屬公司之盈利派發股息予其於香港之直接母公司並會獲得批准享有稅務協定。因此，遞延所得稅負債乃按預計匯出香港之盈利以5%的稅率計算。

於二零一五年三月三十一日，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計所得稅確認遞延所得稅負債為港幣358,457,000元（二零一四年：港幣304,462,000元）。本公司董事決定暫不分配此部份盈利。

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分派政策。

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5. SEGMENT INFORMATION

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

- (1) Flavours;
- (2) Reconstituted tobacco leaves;
- (3) New materials; and
- (4) Fragrances.

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 perspective and assess the performance of flavours, reconstituted tobacco leaves, new materials and fragrances segments. Flavours segment include research and development, production and sale of flavours products. Reconstituted tobacco leaves segment include research and development, production and sale of paper-making reconstituted tobacco leaves. Fragrances segment include research and development, production and sale of fragrances products. In line with the Group’s business development relating to new materials products, the management has decided to report a new operating segment – New materials during this reporting period. The segment includes research and development, production and sale of new materials products that are innovative, functional, and applicable to tobacco industry. The Executive Directors assess the performance of the operating segments based on a measure of operating profit.

5. 分部資料

本集團的經營分為四項主要營運分部：

- (1) 食用香精香料；
- (2) 煙草薄片；
- (3) 新材料；及
- (4) 日用香精香料。

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食用香精香料、煙草薄片、新材料及日用香精香料之分部業務表現。食用香精香料業務包括研發、生產及銷售食用香精香料產品。煙草薄片業務包括研發、生產及銷售造紙法煙草薄片產品。日用香精香料業務包括研發、生產及銷售日用香精香料產品。為配合本集團在新材料方面的業務發展，管理層決定在本報告期內呈列一個新的營運分部——新材料，此分部的業務包括研發、生產及銷售創新、具功能性等適用於煙草行業的新材料產品。執行董事根據營運盈利的計量評估營運分部的表現。

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(除另有說明者外，所有金額以港幣千元列示)

5. SEGMENT INFORMATION (continued)

The segment information for the year ended 31 March 2015 is presented below:

5. 分部資料 (續)

截至二零一五年三月三十一日止年度之分部資料呈列如下：

		Year ended 31 March 2015 截至二零一五年三月三十一日止年度						
		Reconstituted		New		Total	Corporate	Total
		Flavours	tobacco	materials	Fragrances	segments		Total
		食用香精香料	煙草薄片	新材料	日用香精香料	分部總計	總部	總計
Total turnover	總營業額	3,229,796	974,301	86,769	85,075	4,375,941	-	4,375,941
Inter-segment sales	分部間銷售	(20,697)	(28,727)	-	(31)	(49,455)	-	(49,455)
Segment turnover – net	分部營業額 – 淨額	3,209,099	945,574	86,769	85,044	4,326,486	-	4,326,486
Segment result	分部業績	1,898,165	417,891	15,311	10,654	2,342,021	(21,876)	2,320,145
Finance income	財務收入							83,095
Finance costs	融資成本							(13,988)
Finance income – net	財務收入 – 淨額							69,107
Share of loss of associates and a jointly controlled entity	應佔聯營公司及共同控制實體之虧損							(3,005)
Profit before income tax	除稅前盈利							2,386,247
Income tax expense	所得稅							(391,054)
Profit for the year	本年度盈利							1,995,193

		As at 31 March 2015 於二零一五年三月三十一日						
		Reconstituted		New		Total	Corporate	Total
		Flavours	tobacco	materials	Fragrances	segments		Total
		食用香精香料	煙草薄片	新材料	日用香精香料	分部總計	總部	總計
Segment assets	分部資產	7,204,941	3,353,107	161,573	164,299	10,883,920	16,947	10,900,867

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

5. SEGMENT INFORMATION (continued)

The segment information for the year ended 31 March 2014 is presented below:

5. 分部資料 (續)

截至二零一四年三月三十一日止年度之分部資料呈列如下：

		Year ended 31 March 2014 截至二零一四年三月三十一日止年度							
		Reconstituted Flavours 食用香精香料	tobacco leaves 煙草薄片	New materials 新材料	Fragrances 日用香精香料	Total segments 分部總計	Corporate 總部	Total 總計	
Total turnover	總營業額	3,143,885	1,070,170	21,003	84,688	4,319,746	-	4,319,746	
Inter-segment sales	分部間銷售	(81,969)	(339)	-	(13)	(82,321)	-	(82,321)	
Segment turnover – net	分部營業額 – 淨額	3,061,916	1,069,831	21,003	84,675	4,237,425	-	4,237,425	
Segment result	分部業績	1,981,437	422,683	(14,360)	7,760	2,397,520	(20,276)	2,377,244	
Finance income	財務收入							54,352	
Finance costs	融資成本							(11,997)	
Finance income – net	財務收入 – 淨額							42,355	
Share of loss of associates and a jointly controlled entity	應佔聯營公司及共同控制實體之虧損							(2,354)	
Profit before income tax	除稅前盈利							2,417,245	
Income tax expense	所得稅							(420,381)	
Profit for the year	本年度盈利							1,996,864	

		As at 31 March 2014 於二零一四年三月三十一日							
		Reconstituted Flavours 食用香精香料	tobacco leaves 煙草薄片	New materials 新材料	Fragrances 日用香精香料	Total segments 分部總計	Corporate 總部	Total 總計	
Segment assets	分部資產	6,708,824	3,353,762	147,477	167,256	10,377,319	31,087	10,408,406	

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(除另有說明者外，所有金額以港幣千元列示)

5. SEGMENT INFORMATION (continued)

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

The total of non-current assets, other than financial instruments and deferred tax assets, of the Group as at 31 March 2015 and 2014 are mainly located in the PRC.

Revenues from external customers are derived from the sales of flavours, fragrances, reconstituted tobacco leaves and new materials to customers mainly located in the PRC.

Revenue derived from sales made to one single external customer amounted to 19% (2014: 20%) of the Group's total revenue. These revenues are attributable to flavours segment.

5. 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、財務收入及應佔聯營公司及共同控制實體之業績。此分部業績主要是為分配資源和評估各分部之表現而向主要經營決策者呈列的方式。

除金融工具和遞延所得稅資產以外，於二零一五年三月三十一日及二零一四年三月三十一日本集團的非流動資產總額主要位於國內。

來自外部客戶的收入主要來自銷售食用與日用香精香料，煙草薄片及新材料予國內客戶。

來源於最大外部客戶的收入佔集團總收入19% (二零一四年：20%)。這些收入是由食用香精香料分部產生的。

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

6. PROPERTY, PLANT AND EQUIPMENT – GROUP

6. 物業、機器及設備 – 本集團

	Note	Buildings	Plant and machinery	Motor vehicles	Furniture, fixtures and equipment	Leasehold improvements	Construction in progress	Total
	附註	樓宇	機器及設備	汽車	傢俬、裝置及設備	租賃裝修	在建工程	總計
At 1 April 2013	於二零一三年四月一日							
Cost	成本	752,213	727,382	77,237	175,716	21,875	133,240	1,887,663
Accumulated depreciation	累計折舊	(145,340)	(172,637)	(39,891)	(75,859)	(10,531)	-	(444,258)
Net book amount	賬面淨值	606,873	554,745	37,346	99,857	11,344	133,240	1,443,405
Year ended 31 March 2014	截至二零一四年三月三十一日止年度							
Net book amount at 1 April	於四月一日賬面淨值	606,873	554,745	37,346	99,857	11,344	133,240	1,443,405
Additions	添置	1,896	34,691	9,495	10,504	2,962	54,657	114,205
Transfers	轉移	2,711	61,802	847	2,880	-	(68,240)	-
Disposal of a subsidiary	出售附屬公司	(3,349)	(3,379)	(206)	(81)	-	-	(7,015)
Disposals	出售	32	(827)	(10)	(176)	-	-	(1,013)
Depreciation	折舊	25	(74,398)	(9,992)	(19,790)	(2,467)	-	(143,555)
Currency translation differences	貨幣換算差額		10,790	8,246	645	207	(1,704)	19,470
Net book amount at 31 March	於三月三十一日賬面淨值	582,013	580,880	38,125	94,480	12,046	117,953	1,425,497
At 31 March 2014	於二零一四年三月三十一日							
Cost	成本	766,269	825,529	87,170	186,960	25,006	117,953	2,008,887
Accumulated depreciation	累計折舊	(184,256)	(244,649)	(49,045)	(92,480)	(12,960)	-	(583,390)
Net book amount	賬面淨值	582,013	580,880	38,125	94,480	12,046	117,953	1,425,497
Year ended 31 March 2015	截至二零一五年三月三十一日止年度							
Net book amount at 1 April	於四月一日賬面淨值	582,013	580,880	38,125	94,480	12,046	117,953	1,425,497
Additions	添置	2,968	16,451	4,036	11,674	3,520	95,670	134,319
Transfers	轉移	24,165	41,004	10	7,609	-	(72,788)	-
Disposal of a subsidiary	出售附屬公司	(654)	-	-	-	-	(2,548)	(3,202)
Disposals	出售	32	(1,213)	(15)	(143)	(100)	-	(1,471)
Depreciation	折舊	25	(37,713)	(9,614)	(19,356)	(2,421)	-	(151,144)
Currency translation differences	貨幣換算差額		415	(1,240)	(10)	(32)	2,633	1,496
Net book amount at 31 March	於三月三十一日賬面淨值	571,194	553,842	32,532	93,994	13,013	140,920	1,405,495
At 31 March 2015	於二零一五年三月三十一日							
Cost	成本	793,107	878,032	90,702	204,467	27,489	140,920	2,134,717
Accumulated depreciation	累計折舊	(221,913)	(324,190)	(58,170)	(110,473)	(14,476)	-	(729,222)
Net book amount	賬面淨值	571,194	553,842	32,532	93,994	13,013	140,920	1,405,495

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(除另有說明者外，所有金額以港幣千元列示)

6. PROPERTY, PLANT AND EQUIPMENT – GROUP (continued)

6. 物業、機器及設備 – 本集團 (續)

Depreciation was recorded in the following categories:

折舊按以下分類支銷：

		Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
	Note 附註		
Manufacturing overheads	製造費用	69,896	69,094
Selling and marketing expenses	銷售及推廣開支	2,510	2,769
Administrative expenses	行政費用	78,738	71,692
Total depreciation	折舊總額	151,144	143,555

7. LAND USE RIGHTS – GROUP

7. 土地使用權 – 本集團

The Group's interests in land use rights represent prepaid operating lease payments and their net book amounts are analyzed as follows:

本集團於土地使用權的權益為預付經營租金，其賬面淨值分析如下：

		As at 31 March 於三月三十一日	
		2015 二零一五年	2014 二零一四年
Outside Hong Kong, held on: Leases between 10 to 50 years	在香港境外按以下年期持有： 10至50年的租約	194,060	200,247

		Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
	Note 附註		
At 1 April	於四月一日	200,247	204,045
Additions	添置	–	367
Disposal of a subsidiary	出售附屬公司	–	(1,168)
Amortization	攤銷	(6,323)	(6,346)
Currency translation differences	貨幣換算差額	136	3,349
At 31 March	於三月三十一日	194,060	200,247

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

8. INTANGIBLE ASSETS – GROUP

8. 無形資產 – 本集團

		Goodwill 商譽	Trademarks and licences 商標及許可證	Customer relationships 客戶關係	Non- competition agreement 非競爭協議	Computer software 電腦軟件	Patents 專利	Total 總計
	Note 附註	(a)	(b)					
At 1 April 2013	於二零一三年四月一日							
Cost	成本	2,686,372	133,760	273,018	4,893	2,663	22,817	3,123,523
Accumulated amortization	累計攤銷	-	(25,782)	(152,152)	(2,702)	(1,454)	(15,688)	(197,778)
Net book amount	賬面淨值	2,686,372	107,978	120,866	2,191	1,209	7,129	2,925,745
Year ended 31 March 2014	截至二零一四年三月三十一日止年度							
Net book amount at 1 April	於四月一日賬面淨值	2,686,372	107,978	120,866	2,191	1,209	7,129	2,925,745
Additions	添置	-	-	-	-	532	43	575
Amortization	攤銷	25	(7,944)	(29,533)	(536)	(698)	(4,468)	(43,179)
Currency translation differences	貨幣換算差額	45,995	1,966	7	-	20	301	48,289
Net book amount at 31 March	於三月三十一日賬面淨值	2,732,367	102,000	91,340	1,655	1,063	3,005	2,931,430
At 31 March 2014	於二零一四年三月三十一日							
Cost	成本	2,732,367	136,209	276,098	4,893	3,204	23,258	3,176,029
Accumulated amortization	累計攤銷	-	(34,209)	(184,758)	(3,238)	(2,141)	(20,253)	(244,599)
Net book amount	賬面淨值	2,732,367	102,000	91,340	1,655	1,063	3,005	2,931,430
Year ended 31 March 2015	截至二零一五年三月三十一日止年度							
Net book amount at 1 April	於四月一日賬面淨值	2,732,367	102,000	91,340	1,655	1,063	3,005	2,931,430
Additions	添置	-	-	-	-	703	16	719
Amortization	攤銷	25	(7,920)	(29,551)	(537)	(753)	(106)	(38,867)
Currency translation differences	貨幣換算差額	3,101	114	866	1	-	3	4,085
Net book amount at 31 March	於三月三十一日賬面淨值	2,735,468	94,194	62,655	1,119	1,013	2,918	2,897,367
At 31 March 2015	於二零一五年三月三十一日							
Cost	成本	2,735,468	136,374	277,202	4,899	3,886	23,301	3,181,130
Accumulated amortization	累計攤銷	-	(42,180)	(214,547)	(3,780)	(2,873)	(20,383)	(283,763)
Net book amount	賬面淨值	2,735,468	94,194	62,655	1,119	1,013	2,918	2,897,367

Amortization is included in administrative expenses in the consolidated income statement.

攤銷包括在綜合收益表的行政費用內。

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(除另有說明者外，所有金額以港幣千元列示)

8. INTANGIBLE ASSETS – GROUP (continued)

- (a) Goodwill is mainly attributable to the anticipated profitability of operations, the anticipated future operating synergies and enlarged market share. Goodwill is allocated to the Group's CGUs identified mainly according to the operating segments.

The goodwill is allocated as follows:

		2015 二零一五年				2014 二零一四年			
		Reconstituted tobacco			Total 總計	Reconstituted tobacco			Total 總計
		Flavours 食用香精香料	Fragrances 日用香精香料	leaves 煙草薄片		Flavours 食用香精香料	Fragrances 日用香精香料	leaves 煙草薄片	
Goodwill	商譽	1,489,845	55,565	1,190,058	2,735,468	1,488,251	55,499	1,188,617	2,732,367

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a ten-year period as management believes that the cash flow of the Group is comparatively stable and a forecasted period longer than five years is feasible. Cash flows beyond the ten-year period are extrapolated using the estimated growth rates below. The growth rate does not exceed the long-term average growth rate for the businesses in which the CGU operates.

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

		2015 二零一五年				2014 二零一四年			
		Flavours 食用香精香料	Fragrances 日用香精香料	Reconstituted tobacco leaves 煙草薄片		Flavours 食用香精香料	Fragrances 日用香精香料	Reconstituted tobacco leaves 煙草薄片	
Gross margin	毛利率	76%	42%	57%-59%		76%	42%	56%-60%	
Growth rate	增長率	3%	5%	3%		5%	5%	3%	
Discount rate	貼現率	13.5%	13.5%	15%		13.5%	13.5%	15%	

8. 無形資產 – 本集團 (續)

- (a) 商譽主要由經營活動的預期盈利狀況、預期的未來經營協同效應和擴大的市場份額決定。本集團之商譽主要根據其業務分部份配至多個現金產出單元。

商譽分配的摘要呈列如下：

每個現金產生單位的可收回金額乃以使用價值計算。由於管理層認為集團的現金流相對穩定，可以預測較長時間（超過五年）的現金流，上述採用計算基於管理層已批准的10年期財務預算而預計之稅前貼現現金流量計算。超過十年期的現金流量使用的預計年增長率列示如下。該增長率不會超過現金產生單位之業務分部營運的長期平均增長率。

使用價值計算的主要假設如下：

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(除另有說明者外，所有金額以港幣千元列示)

8. INTANGIBLE ASSETS – GROUP (continued)

(a) (continued)

These assumptions have been used for the analysis of each CGU within the operating segment.

Management determined budgeted gross margin based on past performance and their expectations for the market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

After assessing the cash flow projections of the various CGUs, the Directors considered that there is no impairment of the goodwill as at 31 March 2015 and 2014.

(b) Trademarks represent the Peacock, Xinghu and Samshiang trademarks.

9. INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES – COMPANY

(a) Investments in subsidiaries

Investments at cost – unlisted shares 投資按成本值—非上市股份

(b) The balances with subsidiaries are unsecured, interest-free, denominated in HKD and repayable on demand. The fair value of the balances with subsidiaries approximate to their carrying value. None of the balances is either past due or impaired.

8. 無形資產 – 本集團 (續)

(a) (續)

此假設已沿用於營運分部中的每個現金產生單位的分析內。

管理層根據過往的業績及其對市場發展的預期確定預計毛利率。所用的貼現率為稅前並反映有關分部的特定風險。

在評價多個現金產生單位的現金流預測後，本集團之董事認為於二零一五年及二零一四年三月三十一日商譽並無減值。

(b) 商標乃指孔雀、星湖及湘農山香牌商標。

9. 於附屬公司之投資及與其之結餘 – 本公司

(a) 附屬公司之投資

As at 31 March
於三月三十一日

2015 二零一五年	2014 二零一四年
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1,245,085	1,245,085
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(b) 與附屬公司之結餘乃無抵押、免息、以港幣為單位及須於要求時償還。與附屬公司之結餘的賬面值與公允值相若。沒有結餘已逾期或減值。

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(除另有說明者外，所有金額以港幣千元列示)

10. INVESTMENTS IN ASSOCIATES – GROUP

The Group has interests in one and two individually immaterial associates as at 31 March 2015 and 2014 respectively. The following table analyzes, in aggregate, the movement of the carrying amount of the Group's investments in these associates, and its share of results of these associates.

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

10. 於聯營公司之投資 – 本集團

於二零一五年及二零一四年三月三十一日，本集團分別於一個及兩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：

		Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
At 1 April	於四月一日	239,044	102,299
Share of loss of associates	應佔聯營公司虧損	(3,208)	(3,239)
Disposal of Henan Jinrui Flavours Co., Ltd. ("Henan Jinrui")	出售河南金瑞香精香料有限公司(「河南金瑞」)	(8,305)	–
Capital injection in Guizhou Huangguoshu Jinye Technology Co., Ltd. ("Huangguoshu Jinye")	注資貴州黃果樹金葉科技有限公司(「黃果樹金葉」)	–	138,136
Currency translation differences	貨幣換算差額	264	1,848
At 31 March	於三月三十一日	227,795	239,044

(a) As at 31 March 2015, the Group had interests in the following associate :

(a) 於二零一五年三月三十一日，本集團於以下聯營公司擁有權益：

Name 名稱	Country of incorporation 註冊成立國家	% of ownership Interests 所持權益百分比	Principal activities 主要業務
Huangguoshu Jinye 黃果樹金葉	PRC 中國	40%	Pre-operating 籌備開業中

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(除另有說明者外，所有金額以港幣千元列示)

11. INVESTMENT IN A JOINTLY CONTROLLED ENTITY – GROUP

The Group has interests in one immaterial jointly controlled entity as at 31 March 2015 and 2014. The following table analyzes the movement of the carrying amount of the Group's investments in this jointly controlled entity, and its share of results of this jointly controlled entity.

An analysis of the movement of equity investments in jointly controlled entity is as follows:

11. 於共同控制實體之投資 – 本集團

於二零一五年三月三十一日，本集團於一個並非重大的共同控制實體擁有權益。下表為本集團於該共同控制實體的投資及其於該共同控制實體應佔業績的合計賬面值變動的分析。

於共同控制實體的權益投資變動分析如下：

		Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
At 1 April	於四月一日	7,442	7,192
Share of profit of the jointly controlled entity	應佔共同控制實體之盈利	203	885
Dividend from the jointly controlled entity	宣派股息	(666)	(768)
Currency translation differences	貨幣換算差額	8	133
At 31 March	於三月三十一日	6,987	7,442

(a) As at 31 March 2015, the Group had interests in the following jointly controlled entity :

(a) 於二零一五年三月三十一日，本集團於以下共同控制實體擁有權益：

Name 名稱	Country of incorporation 註冊成立國家	% of ownership Interests 所持權益百分比	Principal activities 主要業務
Yunnan Qing Tian Xiang Keji Fazhan Co. Ltd. 雲南清甜香科技發展有限公司	PRC 中國	49%	Manufacture and sale of flavours and fragrances 生產及銷售香精香料產品

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS – GROUP

12. 可供出售金融資產 – 本集團

		Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
At 1 April	於四月一日		
Additions for the year	本年度增加	154,504	67,648
Net fair value change recorded in equity	公允淨值變動記入權益	52,558	4,237
Currency translation differences	貨幣換算差額	17,968	81,380
		187	1,239
At 31 March	於三月三十一日	225,217	154,504

(a) Additions for the year represent units in funds invested in technology innovation sector.

(a) 本年度新增加於高科技創新基金的投資。

Available-for-sale financial assets include:

可供出售金融資產包括：

		As at 31 March 於三月三十一日	
		2015 二零一五年	2014 二零一四年
Unlisted equity investments in the PRC: at fair value	於中國的非上市權益投資： 公允值	185,284	154,504
Unlisted equity investments in Israel: at fair value	於以色列的非上市權益投資： 公允值	39,933	–
		225,217	154,504

Available-for-sale financial assets are denominated in the following currencies:

可供出售金融資產以下列外幣金額列示：

		As at 31 March 於三月三十一日	
		2015 二零一五年	2014 二零一四年
RMB	人民幣	185,284	154,504
US Dollar	美元	39,933	–
		225,217	154,504

None of these financial assets is impaired.

沒有金融資產已減值。

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(除另有說明者外，所有金額以港幣千元列示)

13. DEFERRED INCOME TAX ASSETS/LIABILITIES – 13. 遞延所得稅資產／負債 – 本集團 GROUP

The movement in the deferred income tax is as follows:

遞延所得稅變動如下：

			Deferred income tax assets 遞延所得稅資產	Deferred income tax liabilities 遞延所得稅負債		
		Note 附註	Unrealized profits arising from intra-group sales 集團內 公司間銷售 所產生的集團內 未變現盈利	Valuation surplus of assets and recognition of intangible assets 資產評估 盈餘及無形 資產的確認	Withholding income tax on dividends expected to be remitted from group entities incorporated in the PRC 集團內 位於中國國內的 公司預期匯出的 股息所產生之 預提所得稅	Total 總計
At 1 April 2013	於二零一三年四月一日		48,710	61,404	1,224	62,628
Recognized in reserves	於儲備確認	20	-	18,982	-	18,982
Recognized in the income statement	於損益表確認	28	16,583	(8,931)	21,335	12,404
Currency translation differences	貨幣換算差額		915	(1,338)	-	(1,338)
At 31 March 2014	於二零一四年三月三十一日		66,208	70,117	22,559	92,676
Recognized in reserves	於儲備確認	20	-	4,507	-	4,507
Recognized in the income statement	於損益表確認	28	(1,094)	(8,781)	(15,829)	(24,610)
Currency translation differences	貨幣換算差額		80	34	-	34
At 31 March 2015	於二零一五年三月三十一日		65,194	65,877	6,730	72,607

Deferred income tax assets are recognized for temporary differences arising from the unrealized profits from intra-group sales, and calculated under the liability method using the tax rate which are enacted or substantively enacted by the balance sheet date.

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，其金額以負債法按結算日已生效或已實質生效的稅率計算暫時性差額確定。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

13. DEFERRED INCOME TAX ASSETS/LIABILITIES – GROUP (continued)

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

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% 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 31 March 2015, deferred income tax liabilities of HKD358,457,000 (31 March 2014: HKD304,462,000) have not been recognized for the withholding tax that would otherwise be payable on the undistributed profits of certain PRC subsidiaries.

13. 遞延所得稅資產／負債－本集團（續）

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、土地使用權和無形資產的評估盈餘及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。

根據全國人民代表大會於二零零七年三月十六日通過的中國企業所得稅法，由二零零八年一月一日起，中國企業向外商投資企業分派股息，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，納稅人需向有關主管稅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。因此，遞延所得稅負債乃按預期匯出香港之盈利以5%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。

於二零一五年三月三十一日，本集團並未就若干中國大陸附屬公司之未分派盈利須予支付的預提所得稅確認遞延所得稅負債港幣358,457,000元（二零一四年：港幣304,462,000元）。

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(除另有說明者外，所有金額以港幣千元列示)

13. DEFERRED INCOME TAX ASSETS/LIABILITIES – GROUP (continued)

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

13. 遞延所得稅資產／負債－本集團 (續)

遞延所得稅資產及負債的分析如下：

		As at 31 March 於三月三十一日	
		2015 二零一五年	2014 二零一四年
Deferred income tax assets:	遞延所得稅資產		
– to be recovered within 12 months	– 在十二個月內收回部份	65,194	66,208
Deferred income tax liabilities:	遞延所得稅負債		
– to become payable after more than 12 months	– 在超過十二個月後轉為應付部份	58,842	61,371
– to become payable within 12 months	– 在十二個月內轉為應付部份	13,765	31,305
		72,607	92,676

14. INVENTORIES – GROUP

14. 存貨－本集團

		As at 31 March 於三月三十一日	
		2015 二零一五年	2014 二零一四年
At cost:	按成本：		
Raw materials	原材料	667,012	695,400
Work in progress	在製品	6,037	10,404
Finished goods	製成品	145,384	149,890
		818,433	855,694

The cost of inventories recognized as expense and included in cost of goods sold and administrative expenses for the year ended 31 March 2015 amounted to approximately HKD1,102,762,000 (2014: HKD1,050,588,000).

截至二零一五年三月三十一日止年度之存貨成本確認為費用並計入銷售成本的金額約為港幣1,102,762,000元(二零一四年：港幣1,050,588,000元)。

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

15. TRADE AND OTHER RECEIVABLES

15. 貿易及其他應收款項

		As at 31 March 於三月三十一日			
		Group 本集團		Company 本公司	
	Note 附註	2015 二零一五年	2014 二零一四年	2015 二零一五年	2014 二零一四年
Trade receivables	貿易應收款項	936,735	970,628	-	-
Less: Provision for impairment of receivables	減：應收款項減值撥備	(7,044)	(7,787)	-	-
Trade receivables – net	貿易應收款項 – 淨額	929,691	962,841	-	-
Notes receivable	應收票據	224,940	241,334	-	-
Prepayments and other receivables	預付款項及其他應收款項	106,060	89,706	498	498
Advances to staff	員工墊款	13,473	10,321	-	-
Others	其他	35,529	37,197	-	-
		1,309,693	1,341,399	498	498

Except for prepayment of HKD28,435,000 (2014: HKD39,571,000), trade and other receivables are financial assets categorized under “loans and receivables”. All trade and other receivables are either recoverable within one year or on demand. Accordingly, the fair values of the trade and other receivables approximate to their carrying amounts.

除預付賬款港幣28,435,000元（二零一四年：港幣39,571,000元）外，貿易及其他應收款項被分類為「貸款和應收款項」。所有貿易及其他應收款項乃於一年內或於通知時清還。故貿易及其他應收款項賬面值與公允值相若。

(a) The credit period generally granted to customers ranges from 0 to 180 days. At 31 March 2015 and 2014, the ageing analysis of the trade receivables (including amounts due from related parties which are trade in nature) based on invoice date was as follows:

(a) 授予客戶的信貸期一般為0至180日。於二零一五年及二零一四年三月三十一日，貿易應收款項（包括關聯人士的貿易應收款項）根據發票日期的賬齡分析如下：

		As at 31 March 於三月三十一日	
		Group 本集團	
		2015 二零一五年	2014 二零一四年
0 – 90 days	0至90日	837,444	840,994
91 – 180 days	91至180日	47,365	86,909
181 – 360 days	181至360日	14,087	20,583
Over 360 days	360日以上	37,839	22,142
		936,735	970,628

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(除另有說明者外，所有金額以港幣千元列示)

15. TRADE AND OTHER RECEIVABLES (continued)

(a) (continued)

After considering the credit period, trade receivables are assessed for impairment. As at 31 March 2015, trade receivables of HKD58,904,000 (2014: HKD48,537,000) were past due but not impaired. These relate to a number of independent customers with no recent history of default. The ageing analysis of these trade receivables is as follows:

		As at 31 March 於三月三十一日	
		Group 本集團	
		2015 二零一五年	2014 二零一四年
Past due up to 90 days	逾期至90日	25,545	32,093
Past due over 90 days	逾期超過90日	33,359	16,444
		58,904	48,537

As at 31 March 2015, trade receivables of HKD7,044,000 (2014: HKD7,787,000) were impaired with full provision made. The individually impaired receivables mainly relate to customers which had ceased business with the Group and were not in a position to repay. These receivables are all aged over one year.

15. 貿易及其他應收款項 (續)

(a) (續)

信用期滿後，已對貿易應收款項進行減值評估。於二零一五年三月三十一日，貿易應收款項港幣58,904,000元（二零一四年：港幣48,537,000元）經已逾期但並無減值。此等款項涉及多個最近沒有拖欠還款記錄的獨立客戶。此等貿易應收款的逾期賬齡分析如下：

於二零一五年三月三十一日，貿易應收款港幣7,044,000元（二零一四年：港幣7,787,000元）經已減值及全數撥備。個別減值的應收款項主要來自與集團終止合作關係及無還款能力的客戶。上述應收款項賬齡均超過一年。

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15. TRADE AND OTHER RECEIVABLES (continued)

- (b) The carrying amounts of the Group's trade receivables (including amounts due from related parties which are trade in nature) are denominated in the following currencies:

		As at 31 March 於三月三十一日 Group 本集團	
		2015 二零一五年	2014 二零一四年
RMB	人民幣	927,795	955,336
United States Dollar ("USD")	美元	8,674	15,007
HKD	港幣	266	285
		936,735	970,628

Movements of the provision for impairment of trade receivables were as follows:

貿易應收款減值撥備的變動如下：

		Year ended 31 March 截至三月三十一日止年度 Group 本集團	
		2015 二零一五年	2014 二零一四年
At 1 April	於四月一日	7,787	7,356
(Reversal of)/provision for impairment on trade receivables	貿易應收款減值(轉回)/撥備	(507)	386
Trade receivables written off during the year as uncollectible	於年中撇銷未收的貿易應收款	(245)	(89)
Currency translation differences	貨幣換算差額	9	134
At 31 March	於三月三十一日	7,044	7,787

The creation and release of provision for impaired receivables have been included in "administrative expenses" in the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

對已減值應收款撥備的設立和轉回已包括在綜合收益表中「行政費用」內。計入撥備賬戶中的數額一般會在預期無法收回額外現金時撇銷。

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(除另有說明者外，所有金額以港幣千元列示)

15. TRADE AND OTHER RECEIVABLES (continued)

(b) (continued)

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. The Group does not hold any collateral as security.

15. 貿易及其他應收款項 (續)

(b) (續)

貿易及其他應收款項內的其他類別沒有包含已減值資產。

在報告日期，信貸風險的最高風險承擔為上述每類應收款項的賬面值。本集團不持有任何作為抵押的抵押品。

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

16. 以公允價值計量且其變動計入損益的金融資產：

		As at 31 March 於三月三十一日	
		Group 本集團	
		2015 二零一五年	2014 二零一四年
Listed equity securities, PRC, at market value, denominated in RMB	上市股本證券，中國大陸，按市值以人民幣計值	124,535	-

Changes in fair values of financial assets at fair value through profit or loss are recorded in "other income and other gains – net" in the consolidated income statement (Note 24).

The fair values of all equity securities are based on their current bid prices in an active market.

按公允價值透過損益列賬之財務資產之公允價值變動乃記入綜合損益表之「其他收入及其他收益 – 淨額」內 (附註24)。

上市股本證券之公允價值乃該等證券於活躍市場的買入價。

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(除另有說明者外，所有金額以港幣千元列示)

17. CASH AND BANK BALANCES – GROUP AND COMPANY

17. 銀行及庫存現金—本集團及本公司

		As at 31 March 於三月三十一日			
		Group 本集團		Company 本公司	
		2015 二零一五年	2014 二零一四年	2015 二零一五年	2014 二零一四年
	Note 附註				
Cash and cash equivalents	現金及現金等價物	2,674,289	2,375,345	15,705	30,460
Short-term time deposits	短期定期存款 (a)	951,802	806,400	-	-
		3,626,091	3,181,745	15,705	30,460

(a) The original maturity of time deposits was one year with deposit interest rate of 3.3% (2014: 3.3%). The fair values of the short-term time deposits approximate to their carrying amounts. None of the deposits is either past due or impaired.

(a) 短期定期存款的原到期日乃一年及其存款利息率為3.3厘（二零一四年：3.3厘）。短期定期存款賬面值與公允值相若。概無存款逾期或減值。

Cash and bank balances are denominated in the following currencies:

銀行及庫存現金以下列外幣金額列示：

		As at 31 March 於三月三十一日			
		Group 本集團		Company 本公司	
		2015 二零一五年	2014 二零一四年	2015 二零一五年	2014 二零一四年
RMB	人民幣	3,543,201	3,037,107	84	329
HKD	港幣	67,241	106,265	15,621	30,131
USD	美元	10,992	7,506	-	-
Euro and others	歐元及其他	4,657	30,867	-	-
		3,626,091	3,181,745	15,705	30,460

As at 31 March 2015, the Group's and the Company's maximum exposure to credit risk of cash and bank balances is their carrying amounts.

於二零一五年三月三十一日，本集團及本公司面對的來自銀行及庫存現金的最高信貸風險乃其賬面價值。

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(除另有說明者外，所有金額以港幣千元列示)

18. SHARE CAPITAL – GROUP AND COMPANY

18. 股本 – 本集團及本公司

		Ordinary shares of HKD0.10 each 每股面值港幣0.10元之普通股		
		Number of shares 股份數目	HKD'000 港幣千元	
		Note 附註		
Authorized:	法定：			
At 1 April 2013, 31 March 2014 and 31 March 2015	於二零一三年四月一日、 二零一四年三月三十一日及 二零一五年三月三十一日		5,000,000,000	500,000
Issued and fully paid:	已發行及繳足：			
At 1 April 2013	於二零一三年四月一日		3,110,128,961	311,013
Repurchase and cancellation of shares	回購及註銷股份		(8,811,000)	(881)
At 31 March 2014	於二零一四年三月三十一日		3,101,317,961	310,132
At 1 April 2014	於二零一四年四月一日		3,101,317,961	310,132
Issue of shares upon exercise of share options	行使購股權而發行的新股	19	3,000,000	300
At 31 March 2015	二零一五年三月三十一日		3,104,317,961	310,432

19. SHARE OPTION SCHEME

On 10 October 2006 and 25 October 2006, the Group granted 97,200,000 and 30,400,000 share options with an exercise price of HKD3.09 per share and vesting periods of 0 to 3 years to employees and directors respectively. On 17 October 2007, the Group granted 13,900,000 and 3,600,000 share options with an exercise price of HKD6.65 per share and vesting periods of 0.5 to 3 years to employees and a director respectively. On 14 April 2008, the Group granted 10,400,000 share options to two directors with an exercise price of HKD6.39 per share and vesting periods of 0 to 3 years. The options have a contractual option term of 10 years. The Group has no legal or contractual obligation to repurchase or settle the options in cash. The fair value of the share options at the grant date was determined using the Black-Scholes valuation model.

19. 購股權計劃

於二零零六年十月十日及二零零六年十月二十五日，本集團分別授出97,200,000及30,400,000股購股權，行使價為每股港幣3.09元及歸屬期為0至3年，予現有僱員及董事。及於二零零七年十月十七日，本集團分別授出13,900,000及3,600,000股購股權，行使價為每股港幣6.65元及歸屬期為半年至3年，予現有僱員及一名董事。及於二零零八年四月十四日，本集團授予現有兩名董事10,400,000股購股權，行使價為每股港幣6.39元及歸屬期為0至3年。合同規定購股權的期限為十年。本集團無法律義務或合同回購及以現金支付購股權。購股權的公允價值於授出日由Black-Scholes評估模型確認。

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19. SHARE OPTION SCHEME (continued)

Movements in the number of share options outstanding during the year and their related weighted average exercise prices are as follows:

19. 購股權計劃（續）

於年內，未行使的購股數目之變動及其相關之加權平均行使價列示如下：

		Year ended 31 March 截至三月三十一日止年度			
		2015 二零一五年		2014 二零一四年	
	Note	Weighted average exercise price in HKD per share 加權平均行使價港元（每股計）	Number of share options ('000) 購股權數目（股數以千計）	Weighted average exercise price in HKD per share 加權平均行使價港元（每股計）	Number of share options ('000) 購股權數目（股數以千計）
	附註				
1 April	於四月一日	4.89	23,990	5.23	30,990
Exercised	已行使 (a)	3.09	(3,000)	-	-
Lapsed	已失效 (b)	6.39	(3,400)	6.39	(7,000)
31 March	於三月三十一日	4.91	17,590	4.89	23,990

(a) The weighted average share price immediately before the share option exercised date was HKD5.03.

(a) 緊接購股權行使日期之前的加權平均收市價為每股港幣5.03元。

(b) These represented share options lapsed due to resignation of a director.

(b) 購股權失效是由於董事離職。

Share options outstanding as at 31 March 2015 are analysed as follows:

於二零一五年三月三十一日未行使購股權之分析如下：

Grantee	被授予人	Exercise price in HKD per share 行使價港元（每股計）	Number of share options ('000) 購股權數目（股數以千計）	Expiry date 失效日期
Directors	董事	3.09	1,000	24 October 2016 2016年10月24日
Employees	僱員	3.09	7,600	9 October 2016 2016年10月9日
		6.65	8,990	16 October 2017 2017年10月16日
At 31 March 2015	於二零一五年三月三十一日		17,590	

All share options outstanding as at 31 March 2015 and 2014 are currently exercisable.

於二零一五年及二零一四年三月三十一日，所有未行使的購股權於現在可予行使。

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20. RESERVES

20. 儲備

		GROUP 本集團									
Note		Contributed surplus	Merger reserve	Share premium	Treasury shares	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Currency translation reserve	Other reserves	Total
附註		實繳盈餘	合併儲備	股份溢價	庫存股份	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	其他儲備	總計
At 1 April 2013	於二零一三年四月一日	288,191	(617,160)	445,977	(460)	1,677	5,432	41,817	587,333	161,526	914,333
Fair value changes on available-for-sale financial assets, net of tax	可供出售金融資產之除稅後的公允價值變動	12,13	-	-	-	-	-	-	-	62,398	62,398
Appropriations from net profit	自純利撥付	-	-	-	-	-	-	-	-	15,475	15,475
Acquisition of additional interests in Yongzhou Shanxiang from non-controlling interests	向非控制性權益收購永州山香額外權益	-	-	-	-	-	-	-	-	(948)	(948)
Repurchase and cancellation of shares	回購及註銷股份	18	-	-	460	-	421	-	-	-	881
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	-	118,195	-	118,195
At 31 March 2014	於二零一四年三月三十一日	288,191	(617,160)	445,977	-	1,677	5,853	41,817	705,528	238,451	1,110,334
At 1 April 2014	於二零一四年四月一日	288,191	(617,160)	445,977	-	1,677	5,853	41,817	705,528	238,451	1,110,334
Fair value changes on available-for-sale financial assets, net of tax	可供出售金融資產之除稅後的公允價值變動	(a)	-	-	-	-	-	-	-	13,461	13,461
Appropriations from net profit	自純利撥付	-	-	-	-	-	-	-	-	54,251	54,251
Acquisition of additional interests in Sino-Investment from non-controlling interests	向非控制性權益收購中投科技額外權益	31(a)	-	-	-	-	-	-	-	(9,824)	(9,824)
Acquisition of additional interests in Huabao Korea from non-controlling interests	向非控制性權益收購華寶韓國額外權益	31(b)	-	-	-	-	-	-	-	5,137	5,137
Employee share option scheme – exercise of share options	僱員購股權計劃 – 行使購股權而發行的新股	-	-	10,181	-	-	-	(1,211)	-	-	8,970
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	-	6,277	-	6,277
At 31 March 2015	於二零一五年三月三十一日	288,191	(617,160)	456,158	-	1,677	5,853	40,606	711,805	301,476	1,188,606

(a) The amount before tax is HKD17,968,000 (Note 12), of which HKD4,507,000 was recognized in reserves as deferred tax (Note 13).

(a) 稅前金額為港幣17,968,000元(附註12)，其中港幣4,507,000元已於儲備中確認為遞延稅項(附註13)。

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20. RESERVES (continued)

20. 儲備 (續)

		COMPANY 本公司						
	Note	Contributed surplus	Share premium	Treasury shares	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Total
	附註	實繳盈餘	股份溢價	庫存股份	資本儲備	資本贖回儲備	以股份為基礎的酬金儲備	總計
At 1 April 2013	於二零一三年四月一日	288,191	445,977	(460)	1,677	5,432	41,817	782,634
Repurchase and cancellation of shares	18 回購及註銷股份	-	-	460	-	421	-	881
At 31 March 2014	於二零一四年三月三十一日	288,191	445,977	-	1,677	5,853	41,817	783,515
At 1 April 2014	於二零一四年四月一日	288,191	445,977	-	1,677	5,853	41,817	783,515
Employee share option scheme - Issue of shares upon exercise of share options	僱員購股權計劃 - 行使購股權而發行的新股	-	10,181	-	-	-	(1,211)	8,970
At 31 March 2015	於二零一五年三月三十一日	288,191	456,158	-	1,677	5,853	40,606	792,485

21. RETAINED EARNINGS

21. 保留盈利

		Year ended 31 March 截至三月三十一日止年度			
		Group 本集團		Company 本公司	
		2015 二零一五年	2014 二零一四年	2015 二零一五年	2014 二零一四年
At 1 April	於四月一日	7,265,105	6,054,065	1,424,336	1,496,645
Profit for the year	本年度盈利	1,986,584	1,977,325	1,118,850	678,501
Appropriations from net profit	自純利撥付	(54,251)	(15,475)	-	-
Repurchase and cancellation of shares	回購及股份	-	(13,937)	-	(13,937)
Final and special dividend for the year ended 31 March 2013	截至二零一三年三月三十一日止年度之期末及特別股息	-	(378,361)	-	(378,361)
Interim and special dividend for the six months ended 30 September 2013	截至二零一三年九月三十日止六個月之中期及特別股息	-	(358,512)	-	(358,512)
Final and special dividend for the year ended 31 March 2014	截至二零一四年三月三十一日止年度之期末及特別股息	(542,741)	-	(542,741)	-
Interim and special dividend for the six months ended 30 September 2014	截至二零一四年九月三十日止六個月之中期及特別股息	(984,689)	-	(984,689)	-
At 31 March	於三月三十一日	7,670,008	7,265,105	1,015,756	1,424,336

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22. BORROWINGS

22. 貸款

		As at 31 March 於三月三十一日			
		Group 本集團		Company 本公司	
		2015 二零一五年	2014 二零一四年	2015 二零一五年	2014 二零一四年
	Note 附註				
Current	流動				
- Secured bank borrowing	- 有抵押銀行貸款 (a)	15,150	15,131	-	-
- Unsecured bank borrowings	- 無抵押銀行貸款 (b)	735,128	515,000	735,128	515,000
Total borrowings	總貸款	750,278	530,131	735,128	515,000

(a) The bank borrowing is secured by a pledge of land and buildings located in Hunan Province owned by a subsidiary, Yongzhou Shanxiang. The borrowing is denominated in RMB and is repayable within one year. During the year, the average interest rate was 6.30% per annum.

(a) 有抵押銀行貸款乃由附屬公司永州山香所持有的位於湖南省的土地及樓宇作為抵押。該貸款以人民幣為單位，並需於一年內到期償還。於年內，該貸款平均利息為每年6.30厘。

(b) The unsecured bank borrowings are repayable within one year. During the year, the average interest rate was 2.24% (2014: 2.39%) per annum.

(b) 無抵押銀行貸款需於一年內到期償還。於年內，該貸款平均利息為每年2.24厘（二零一四年：2.39厘）。

Borrowings are financial liabilities categorized under “financial liabilities measured at amortized cost”. The fair values of the borrowings approximate to their carrying amounts.

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

The unsecured bank borrowings are denominated in the following currencies:

銀行貸款是以下貨幣為單位：

		Year ended 31 March 截至三月三十一日止年度			
		Group 本集團		Company 本公司	
		2015 二零一五年	2014 二零一四年	2015 二零一五年	2014 二零一四年
HKD	港幣	590,000	515,000	590,000	515,000
EUR	歐元	145,128	-	145,128	-
RMB	人民幣	15,150	15,131	-	-
At 31 March	於三月三十一日	750,278	530,131	735,128	515,000

Interest expense on bank borrowings for the year ended 31 March 2015 amounted to HKD13,878,000 (2014: HKD11,932,000). No interest expense (2014: nil) was capitalized during the year.

截至二零一五年三月三十一日止年度的銀行貸款利息開支約為港幣13,878,000元（二零一四年：港幣11,932,000元），於年內並無（二零一四年：無）利息費用資本化。

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23. TRADE AND OTHER PAYABLES

23. 貿易及其他應付款項

		As at 31 March 於三月三十一日			
		Group 本集團		Company 本公司	
		2015 二零一五年	2014 二零一四年	2015 二零一五年	2014 二零一四年
	Note 附註				
Trade payables	貿易應付款項 (a)	394,759	446,029	-	-
Non-trade payables to related parties	非貿易應付關聯人士款項 34(c)	-	93,985	-	-
Dividends payable	應付股息	-	3,707	-	-
Wages payable	應付工資	70,723	46,632	-	-
Other taxes payable	其他應付稅項	39,378	7,663	-	-
Accruals for expenses	應計開支	9,454	6,828	2,689	1,972
Advances from customers	客戶預付款	2,345	2,383	-	-
Other payables	其他應付款項	45,371	44,867	341	330
		562,030	652,094	3,030	2,302

Except for other taxes payable of HKD39,378,000 (2014: HKD7,663,000), wages payable of HKD70,723,000 (2014: HKD46,632,000) and advances from customers of HKD2,345,000 (2014: HKD2,383,000), trade and other payables balances are financial liabilities categorized under "financial liabilities measured at amortized cost". The fair values of trade and other payables approximate to their carrying amounts.

除其他應付稅款港幣39,378,000元(二零一四年：港幣7,663,000元)，應付工資港幣70,723,000元(二零一四年：港幣46,632,000元)及客戶預付款港幣2,345,000元(二零一四年：港幣2,383,000元)外，貿易及其他應付款項乃金融負債被分類為「按攤銷成本計量的金融負債」。貿易及其他應付款項的公允價值與其賬面值相若。

(a) As at 31 March 2015 and 2014, the ageing analysis of the trade payables (including amounts due to related parties which are trade in nature) based on invoice dates were as follows:

(a) 於二零一五年及二零一四年三月三十一日，貿易應付款項(包括關聯人士的貿易應付款項)根據發票日期的賬齡分析如下：

		As at 31 March 於三月三十一日	
		Group 本集團	
		2015 二零一五年	2014 二零一四年
0 – 90 days	0至90日	271,306	338,224
91 – 180 days	91至180日	88,508	59,860
181 – 360 days	181至360日	12,296	14,558
Over 360 days	360日以上	22,649	33,387
		394,759	446,029

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23. TRADE AND OTHER PAYABLES (continued)

- (b) The carrying amounts of the Group's trade payables (including amounts due to related parties which are trade in nature) are denominated in the following currencies:

		As at 31 March 於三月三十一日	
		Group 本集團	
		2015 二零一五年	2014 二零一四年
RMB	人民幣	369,833	433,850
USD	美元	12,996	7,271
HKD	港幣	3,820	2,454
EUR and other	歐元及其他	8,110	2,454
		394,759	446,029

23. 貿易及其他應付款項 (續)

- (b) 本集團的貿易應付款 (包括關聯人士的貿易應付款項) 的賬面值以下列貨幣為單位：

24. OTHER INCOME AND OTHER GAINS – NET

Changes in fair value of financial assets at fair value through profit or loss	以公允值計量且其變動計入損益的金融資產的公允值變動	28,658	–
Gain on disposal of an associate	出售聯營公司之收益	3,487	–
Gain on disposal of a subsidiary	出售附屬公司之收益	2,180	–
Government grants	政府津貼	229,442	172,891
Foreign exchange (loss)/gain – net	匯兌 (虧損)/收益 – 淨額	(5,549)	26,691
Others	其他	4,987	4,989
		263,205	204,571

24. 其他收入及其他收益 – 淨額

		Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
		28,658	–
		3,487	–
		2,180	–
		229,442	172,891
		(5,549)	26,691
		4,987	4,989
		263,205	204,571

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25. EXPENSES BY NATURE

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

		Year ended 31 March 截至三月三十一日止年度		
		Note 附註	2015 二零一五年	2014 二零一四年
Depreciation	折舊	6	124,596	126,367
Amortization	攤銷	7,8	44,304	44,929
Changes in inventories of finished goods and work in progress	製成品及在製品存貨變動		8,873	82,542
Raw materials and consumables used (Reversal of)/provision for impairment on trade receivables	已用原材料及消耗品 貿易應收款之減值 (轉回)/撥備	15	1,026,344 (507)	881,195 386
Lease rentals	租金		38,153	25,963
Auditor's remuneration	核數師酬金		8,360	8,188
Travelling expenses	差旅開支		49,443	33,954
Employee benefit expenses	僱員及福利開支	26	337,764	293,580
Research and development expenses	研究及發展開支	(a)	256,205	243,517
Delivery expenses	運輸開支		49,621	51,875
Utilities expenses	公共設施開支		84,368	106,562
Motor vehicle expenses	汽車費用開支		21,237	19,764
Maintenance expenses	維修費		25,217	15,610
Advertising and promotion expenses	廣告及宣傳費		43,518	17,473
Office administrative and communication expenses	辦公及通訊費		14,167	15,533
Taxation	稅金		12,921	12,188
Others	其他		124,962	85,126
Total of cost of goods sold, selling and marketing expenses and administrative expenses	總銷售成本、 銷售及市場推廣開支 和行政費用		2,269,546	2,064,752

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

25. 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：

		Year ended 31 March 截至三月三十一日止年度		
		Note 附註	2015 二零一五年	2014 二零一四年
Depreciation	折舊	6	26,548	17,188
Amortization	攤銷	7,8	886	4,596
Employee benefit expenses	僱員及福利開支	26	94,727	100,384

(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：

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26. EMPLOYMENT BENEFIT EXPENSES

26. 僱員福利開支

		Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
Wages, salaries and bonus	工資、薪酬及花紅	362,677	327,265
Defined contribution plans and other employee insurances	定額供款計劃及其他員工保險	(a) 44,415	40,140
Other benefits	其他福利	25,399	26,559
		432,491	393,964

(a) Defined contribution plans and other employee insurances

The expenses mainly include contribution of pension, housing scheme and other employee insurances for employees, of which the arrangement of pension scheme is as below:

In Hong Kong, the Group operates a MPF Scheme for all eligible employees. The assets of the MPF Scheme are held separately from those of the Group.

Under the MPF Scheme, the employees are required to contribute 5% of their monthly salaries up to a maximum of HKD1,500 per employee with a choice to make additional contributions. The employer's monthly contributions are calculated at 5% of each employee's monthly salaries up to a maximum of HKD1,500 (the "mandatory contributions"). The employees are entitled to 100% of the employer's mandatory contributions upon their retirement at the age of 65 years old, death or total incapacity.

In Mainland China, the Group makes defined contribution to retirement schemes managed by the local governments. It is the local governments' responsibility to pay the retirement benefits to those staff who retire.

In Germany, the Group makes defined contribution at certain percentage of monthly salary to retirement schemes managed by the insurance company in accordance with German rules and regulations. It is the insurance company's responsibility to pay the retirement benefits to those staff who retire. In Botswana, no pension obligation is required under its laws and regulations.

(a) 定額供款計劃及其他員工保險

此費用包括退休金供款、員工住房計劃及其他員工保險。退休金計劃之安排如下：

本集團為香港所有合資格僱員設立強積金計劃。強積金計劃之資產與本集團所持有者獨立分開。

根據強積金計劃，每名僱員須按月薪5%（最高供款額為港幣1,500元）作出供款，並可選擇作出額外供款。僱主亦須按每名僱員月薪5%（最高供款額為港幣1,500元）作出供款（「強制供款」）。僱員可於六十五歲退休、身故或完全喪失工作能力時收取僱主作出之全部強制供款。

本集團在中國內地根據合資格員工的基本薪金若干百分比向中國地方政府所管理的退休金計劃作出定額供款。地方政府有責任向該等退休僱員支付退休金。

另本集團亦根據德國的相關法律和法規向合資格員工按月薪的若干百分比向有關保險公司作出供款。保險公司有責任向該等退休僱員支付退休金。博茨瓦納的相關法律和法規並無要求需向員工支付退休金的責任。

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26. EMPLOYMENT BENEFIT EXPENSES (continued)

26. 僱員福利開支(續)

(b) Directors' and chief executive's emoluments

The remuneration of each director and chief executive for the year ended 31 March 2015 and 2014 are set out below:

(b) 董事及行政總裁酬金

各董事及行政總裁於截至二零一五年及二零一四年三月三十一日止年度之酬金如下：

Name of director	Note	2015 二零一五年					2014 二零一四年				
		Fees	Salaries	Bonus	Employer's contribution to pension scheme	Total	Fees	Salaries	Bonus	Employer's contribution to pension scheme	Total
董事姓名	附註	袍金	薪金	花紅	僱主就退休計劃供款	總計	袍金	薪金	花紅	僱主就退休計劃供款	總計
Executive director:	執行董事：										
Ms. Chu Lam Yiu	(a)	10,290	-	4,000	-	14,290	9,923	-	-	-	9,923
Mr. Lau Chi Tak	(b)	-	-	-	-	-	-	54	-	1	55
Mr. Poon Chiu Kwok		-	2,449	-	216	2,665	-	2,175	-	198	2,373
Mr. Wang Guang Yu		1,335	556	-	79	1,970	1,272	569	-	78	1,919
Mr. Xia Li Qun		-	4,600	-	18	4,618	1,025	1,539	-	38	2,602
Mr. Xiong Qing	(c)	-	-	-	-	-	-	1,725	-	11	1,736
Non-executive directors:	非執行董事：										
Mr. Lam Ka Yu	(d)	240	-	-	-	240	83	-	-	-	83
Independent non-executive directors:	獨立非執行董事：										
Dr. Ding Ningning	(e)	240	-	-	-	240	155	-	-	-	155
Dr. Jin Lizuo	(f)	-	-	-	-	-	85	-	-	-	85
Mr. Lee Luk Shiu		240	-	-	-	240	240	-	-	-	240
Ms. Ma Yun Yan		240	-	-	-	240	240	-	-	-	240
Mr. Wu Chi Keung	(e)	240	-	-	-	240	155	-	-	-	155
						24,743					19,566

(a) Ms. Chu Lam Yiu is also the chief executive of the Company.

(b) Ceased to act on 8 April 2013.

(c) Ceased to act on 1 January 2014.

(d) Appointed on 27 November 2013.

(e) Appointed on 8 August 2013.

(f) Retired on 8 August 2013.

(a) 朱林瑤女士兼任本集團的行政總裁。

(b) 於二零一三年四月八日離任。

(c) 於二零一四年一月一日離任。

(d) 於二零一三年十一月二十七日獲委任。

(e) 於二零一三年八月八日獲委任。

(f) 於二零一三年八月八日退任。

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26. EMPLOYMENT BENEFIT EXPENSES (continued)

(b) Directors' and chief executive's emoluments (continued)

No directors waived any emoluments during the years ended 31 March 2015 and 2014.

During the years ended 31 March 2015 and 2014, no emoluments had been paid by the Group to the directors as an inducement to join or upon joining the Group or as a compensation for loss of office.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include 2 (2014: 3) directors whose emoluments are reflected in the analysis presented above. The emoluments paid and payable to the remaining 3 (2014: 2) individuals during the year are as follows:

26. 僱員福利開支(續)

(b) 董事及行政總裁酬金(續)

截至二零一五年及二零一四年三月三十一日止年度，無董事放棄任何酬金。

截至二零一五年及二零一四年三月三十一日止年度，本集團亦無向董事支付酬金作為加入本集團的獎勵或作為離職補償。

(c) 五名最高薪酬人士

年內，在本集團之五名最高薪酬人士包括兩位(二零一四年：三位)為董事，而彼等之酬金詳情已載於上文。本年度支付予其餘三位人士(二零一四年：兩位)之酬金如下：

		Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
Basic salaries and allowances	基本薪金及津貼	12,251	7,590
Contributions to the retirement scheme	退休福利計劃供款	135	121
		12,386	7,711

The emoluments fell within the following bands:

彼等之酬金在以下範圍：

		Number of employees 僱員人數	
		2015 二零一五年	2014 二零一四年
Emolument bands	酬金範圍		
HKD2,500,001- HKD3,000,000	港幣2,500,001至3,000,000元	1	1
HKD4,500,001- HKD5,000,000	港幣4,500,001至5,000,000元	2	1

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27. FINANCE INCOME AND FINANCE COSTS

27. 財務收入及融資成本

		Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
Finance income:	財務收入		
– Interest income on bank deposits	利息收入 – 銀行存款	83,095	54,352
Finance costs:	融資成本		
– Interest expenses on bank borrowings and others	利息費用 – 銀行貸款及其他	(13,988)	(11,997)
Finance income – net	財務收入 – 淨額	69,107	42,355

28. INCOME TAX EXPENSE

28. 所得稅

The amount of taxation charged to the consolidated income statements represented:

計入綜合收益表之稅項金額列示如下：

		Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
Current income tax	即期稅項		
– Hong Kong profits tax	– 香港所得稅	13,408	11,156
– PRC corporate income tax	– 中國企業所得稅	400,000	412,481
– Germany company income tax	– 德國企業所得稅	139	139
– Botswana company income tax	– 博茨瓦納企業所得稅	1,023	784
Deferred income tax	遞延所得稅	(23,516)	(4,179)
		391,054	420,381

(a) Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year.

(a) 香港所得稅按本年度估計應課稅盈利以稅率16.5% (二零一四年：16.5%)撥備。

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

(b) 中國企業所得稅撥備按本集團在中國大陸企業於本年度的盈利以其適用的稅率而定。

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(除另有說明者外，所有金額以港幣千元列示)

28. INCOME TAX EXPENSE (continued)

- (c) The income tax rates enacted or substantively enacted which are applicable to the major subsidiaries of the Group incorporated in the PRC were as follows:

28. 所得稅 (續)

- (c) 下列為本集團於中國大陸註冊之主要企業的所得稅適用稅率明細：

	Note	April to December 2013 二零一三年 四月至十二月	January to December 2014 二零一四年 一月至十二月	January to March 2015 二零一五年 一月至三月
	(a)	%	%	%
	附註			
Feijia Chuangye Additive (Shenzhen) Limited	(i)	25	25	25
Guangdong Jinke Reconstituted Tobacco Leaves Company Limited	(i)	25	25	25
Guangzhou Huabao Flavour & Fragrances Company Limited	(i)	25	25	25
Huashun Flavours (Shanghai) Company Limited	(i)	25	25	25
Owada Flavour Technology (Guangzhou) Limited	(i)	25	25	25
Qingdao Qingda Product Co Ltd	(i)	25	25	25
Shanghai Yinghua Flavours & Fragrances Limited	(i)	25	25	25
Taicang Wenhua Enterprise Company Limited	(i)	25	25	25
Wuxi Fuhua Flavour & Fragrance Company Limited	(i)	25	25	25
Wuxi Hua Xin Flavour & Fragrance Company Limited	(i)	25	25	25
Wuxi Jiahua Flavour & Fragrance Company Limited	(i)	25	25	25
Guizhou Province Huashuo Biological Technology Company Ltd	(ii)	15	15	15
Yunnan Tianhong Flavor & Fragrance Company Limited	(ii)	15	15	15
Guangdong Golden Leaf Technology Development Company Limited	(iii)	15	15	15
Hua Fang Tobacco Flavors Limited	(iii)	15	15	15
Huabao Food Flavours & Fragrances (Shanghai) Company Limited	(iii)	15	15	15
Shanghai H&K Flavours & Fragrances Company Limited	(iii)	15	15	15
Wuxi Hua Hai Flavour Company Limited	(iii)	15	15	15
Xiamen Amber Fragrances Co Ltd	(iii)	15	15	15
Yongzhou ShanXiang Flavour Co Ltd	(iii)	15	15	15
Yingtian Huabao Flavours & Fragrances Co., Ltd.	(iii)	15	15	15
Zhaoqing Perfumery Co., Ltd. (Guangdong)	(iii)	15	15	15

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

28. INCOME TAX EXPENSE (continued)

- (c) The income tax rates enacted or substantively enacted to the major subsidiaries of the Group incorporated in the PRC were as follows: (continued)

The income tax rates are derived from various tax policies.

- (i) The Corporate Income Tax Law of the PRC stipulates the applicable income tax rate at 25% for domestic enterprises in the PRC.
 - (ii) Encouraged enterprises of western regions can continue to enjoy tax rate of 15% until 2022.
 - (iii) The Corporate Income Tax Law also stipulated that the Corporate Income Tax shall be levied at the reduced rate of 15% for High/New Tech Enterprises that are specifically supported by the State.
- (d) Germany company income tax has been provided at the rate of 15% (2014: 15%) on the estimated assessable profit for the year.
- (e) Botswana company income tax has been provided at the rate of 15% (2014: 15%) on the estimated assessable profit for the year.
- (f) No provision for income tax in other jurisdictions has been made as the Group has no assessable profit in those jurisdictions during the year.

28. 所得稅 (續)

- (c) 下列為本集團於中國大陸註冊之主要企業的所得稅適用稅率明細：(續)

不同的所得稅稅率來自不同的政策。

- (i) 企業所得稅法規定中國國內企業的適用所得稅稅率為25%。
 - (ii) 於西部區域受鼓勵的企業可繼續享有15%的稅率直至2022年。
 - (iii) 企業所得稅法規定企業所得稅將對於受國家支持的高新技術企業適用15%的稅率。
- (d) 德國企業所得稅按本年度估計應課稅盈利以稅率15% (二零一四年：15%)撥備。
- (e) 博茨瓦納企業所得稅按本年度估計應課稅盈利以稅率15% (二零一四年：15%)撥備。
- (f) 本集團於有關年度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。

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28. INCOME TAX EXPENSE (continued)

- (g) The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the standard tax rates before tax holiday applicable to the respective companies of the Group as follows:

28. 所得稅 (續)

- (g) 本集團就除所得稅前盈利的稅項，與本集團旗下相關公司所在地在免稅期前適用稅率釐定的理論稅額有所不同，載列如下：

		Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
Profit before income tax	除稅前盈利	2,386,247	2,417,245
Add: Share of loss of associates and a jointly controlled entity	加：應佔聯營公司及共同控制實體虧損	3,005	2,354
		2,389,252	2,419,599
Tax calculated at statutory tax rate	按適用稅率計算的稅項	662,418	633,262
Effect of tax incentives	稅收優惠影響	(300,826)	(243,981)
Super deduction for research and development expenditure	研發費用加計扣除的影響	(10,947)	(6,362)
Utilisation of previously unrecognized tax losses	動用之前未確認的稅務虧損	(5,767)	(2,159)
Tax impact of expenses not deductible for tax purposes	不可扣稅開支之稅務影響	37,388	6,935
Withholding tax on the earnings anticipated to be remitted by subsidiaries	附屬公司預期匯出的股息所產生之預提所得稅	(15,829)	21,335
Tax losses for which no deferred income tax assets were recognized	並無確認遞延所得稅資產的稅務虧損	24,617	11,351
Income tax expense	所得稅	391,054	420,381

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28. INCOME TAX EXPENSE (continued)

Due to the fact that the Directors are not certain on whether future taxable profit would be available in certain subsidiaries, the Group did not recognize deferred income tax assets of HKD50,817,000 (2014: HKD31,465,000) in respect of tax losses of such dormant subsidiaries amounting to HKD234,672,000 (2014: HKD145,793,000). The tax loss will expire in the following years:

28. 所得稅 (續)

因為董事無法確定於未來是否有足夠應課稅盈利彌補稅損，本集團並沒有確認若干附屬公司之可抵扣未來虧損港幣234,672,000元（二零一四年：港幣145,793,000元）的遞延所得稅資產約港幣50,817,000元（二零一四年：港幣31,465,000元）。可抵扣虧損將於下列年度到期：

		Year ended 31 March 於三月三十一日	
		2015 二零一五年	2014 二零一四年
Expired on 31 March 2015	二零一五年三月三十一日到期	–	6,218
Expired on 31 March 2016	二零一六年三月三十一日到期	741	4,217
Expired on 31 March 2017	二零一七年三月三十一日到期	17,994	21,209
Expired on 31 March 2018	二零一八年三月三十一日到期	22,883	29,253
Expired on 31 March 2019	二零一九年三月三十一日到期	25,591	27,129
Expired on 31 March 2020	二零二零年三月三十一日到期	56,451	–
No expiry date	沒有到期日	111,012	57,767
		234,672	145,793

29. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

29. 每股盈利

(a) 基本

每股基本盈利乃根據本年度本公司權益持有人應佔盈利，除以年內已發行普通股的加權平均數目計算。

		Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
Profit attributable to equity holders of the Company	本公司股權持有人應佔盈利	1,986,584	1,977,325
Weighted average number of ordinary shares in issue ('000)	已發行之普通股之加權平均數（千計）	3,103,145	3,101,359
Basic earnings per share (HK cents per share)	每股基本盈利（每股港仙）	64.02	63.76

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29. EARNINGS PER SHARE (continued)

(b) Diluted

Diluted earnings per share is calculated based on the weighted average number of ordinary shares outstanding, assuming that all dilutive potential ordinary shares have been converted. For the year ended 31 March 2015, the Company has one type of dilutive potential ordinary shares, i.e. share options.

For the share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the year) for the same total proceeds is added to the denominator. No adjustment is made to the net profit.

29. 每股盈利 (續)

(b) 攤薄

每股攤薄盈利假設所有可攤薄的潛在普通股被轉換後，根據已發行普通股的加權平均股數計算。在截至二零一五年三月三十一日止年度，本公司有一類可攤薄的潛在普通股（購股權）。

至於購股權，假定所有具有攤薄效應的購股權均已被行使而對已發行股份的加權平均數進行調整。以假定所有已發行的具有攤薄效應的購股權行使時的股份數目，減去在行使該等購股權所取得的收益而計算股份的公允價值（釐定為本公司股份於年內的平均市價）可發行的股份數目，所得的差額加入於計算的分母。淨盈利無需調整。

		Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
Profit attributable to equity holders of the Company	本公司權益持有人應佔盈利	1,986,584	1,977,325
Weighted average number of ordinary shares used to calculate basic earnings per share ('000)	用以確定每股基本盈利的普通股的加權平均數 (千計)	3,103,145	3,101,359
Adjustments for:	調整：		
– exercise of share options ('000)	– 行使購股權	4,170	1,671
Weighted average number of ordinary shares for diluted earnings per share ('000)	每股攤薄盈利的普通股的加權平均數 (千計)	3,107,315	3,103,030
Diluted earnings per share (HK cents per share)	每股攤薄盈利 (每股港仙)	63.93	63.72

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30. DIVIDENDS

30. 股息

		Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
Interim dividend paid of HK9.52 cents (2014: HK8.68 cents) per share	已付每股中期股息港幣9.52仙 (二零一四年：港幣8.68仙)	295,531	269,194
Proposed final dividend of nil HK cent (2014: HK10.49 cents) per share	擬派每股期末股息港幣零仙 (二零一四年：港幣10.49仙)	–	325,520
		295,531	594,714
Special dividend paid of HK22.20 cents (2014: HK2.88 cents) per share	已付每股特別股息港幣22.20仙 (二零一四年：港幣2.88仙)	689,158	89,318
Proposed special dividend of nil HK cent (2014: HK7.00 cents) per share	擬派每股特別股息港幣零仙 (二零一四年：港幣7.00仙)	–	217,221
		689,158	306,539
		984,689	901,253

No final dividend (2014: final dividend of HK10.49 cents per share and a special dividend of HK7.00 cents per share) is proposed at the meeting of the Board held on 23 June 2015. The aggregate amounts of the dividends paid and proposed during 2015 and 2014 have been disclosed in the consolidated income statement in accordance with the Hong Kong Companies Ordinance.

於二零一五年六月二十三日舉行的董事局會議不建議派發任何期末股息(二零一四年：期末股息每股港幣10.49仙及特別股息每股港幣7.00仙)。根據香港《公司條例》，二零一五年及二零一四年已派發的股息總額已在綜合收益表中披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

31. CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES WITHOUT CHANGE OF CONTROL

(a) Acquisition of additional interest in Sino Investment

During the year, Hua Bao Industrial & Trading Development (HK) Limited, a wholly owned subsidiary of the Company, acquired an additional 49% equity interest from the non-controlling interests in Sino Investment for a cash consideration of approximately HKD40,000,000. After completion of the acquisition, Sino Investment became a wholly owned subsidiary of the Group. The effect of change in the ownership interest in Sino Investment on the equity attributable to owners of the Company during the year is summarized as follows:

		Amount 金額
Carrying amount of non-controlling interest acquired	購入非控制性權益的賬面值	30,176
Consideration paid to non-controlling interest	支付予非控制性權益的對價	(40,000)
Excess of consideration paid over non-controlling interest acquired recognized in equity	支付對價超出非控制性權益之賬面值於權益中確認	(9,824)

The Group recognized a decrease in non-controlling interests of HKD30,176,000 and a decrease in equity attributable to owners of the Company of HKD9,824,000.

31. 附屬公司所有者權益的變動（不改變控制權）

(a) 收購中投科技額外權益

年內，本公司之全資附屬公司，華寶工貿發展（香港）有限公司以現金代價約港幣40,000,000元向非控制性權益收購中投科技的49%權益。該收購完成後，本集團於已全資擁有中投科技的股權。年內就中投科技所有者權益的變動對本公司權益持有人應佔權益的影響摘要如下：

本集團確認非控制性權益減少港幣30,176,000元和本公司權益持有人應佔權益減少港幣9,824,000元。

(b) Acquisition of additional interest in Huabao Korea

During the year, Huabao Group Limited, a wholly owned subsidiary of the Company, acquired an additional 30% equity interest from the non-controlling interests in Huabao Korea for a cash consideration of approximately HKD18,669,000. After completion of the acquisition, Huabao Korea became a wholly owned subsidiary of the Group. The effect of change in the ownership interest in Huabao Korea on the equity attributable to owners of the Company during the year is summarized as follows:

(b) 收購華寶韓國額外權益

年內，本公司之全資附屬公司，Huabao Group Limited，以現金代價約港幣18,669,000元向非控制性權益收購華寶韓國的30%權益，該收購完成後，本集團於已全資擁有華寶韓國的股權。年內就華寶韓國所有者權益的變動對本公司權益持有人應佔權益的影響摘要如下：

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綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

31. CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES WITHOUT CHANGE OF CONTROL (continued)

(b) Acquisition of additional interest in Huabao Korea (continued)

		Amount 金額
Carrying amount of non-controlling interest acquired	購入非控制性權益的賬面值	23,806
Consideration paid to non-controlling interest	支付予非控制性權益的對價	(18,669)
Excess of non-controlling interest acquired recognized in equity over consideration paid	支付對價低於非控制性權益之賬面值於權益中確認	5,137

The Group recognized a decrease in non-controlling interests of HKD23,806,000 and an increase in equity attributable to owners of the Company of HKD5,137,000.

(b) 收購華寶韓國額外權益(續)

本集團確認非控制性權益減少港幣23,806,000元和本公司權益持有人應佔權益增加港幣5,137,000元。

32. CASH GENERATED FROM OPERATIONS

32. 經營活動產生的現金

	Note 附註	Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
Profit before income tax	除稅前盈利	2,386,247	2,417,245
Adjustments for:	調整：		
– Depreciation	– 折舊	151,144	143,555
– Amortization	– 攤銷	45,190	49,525
– Interest expense	– 利息費用	13,988	11,997
– Interest income	– 利息收入	(83,095)	(54,352)
– Share of loss of associates and a jointly controlled entity	– 應佔聯營公司及共同控制實體之虧損	3,005	2,354
– (Reversal of)/provision for impairment on trade receivables	– 貿易應收款項減值(轉回)/撥備	(507)	386
– Loss on disposal of property, plant and equipment	– 出售物業、機器及設備虧損	1,145	287
– Gain on disposal of an associate	– 出售聯營公司之收益	(3,487)	–
– Gain on disposal of a subsidiary	– 出售附屬公司之收益	(2,180)	–
– Changes in fair value of financial assets at fair value through profit or loss	– 以公允價值計量且其變動計入損益的金融資產之公允價值變動	(28,658)	–
– Foreign exchange loss/(gain) - net	– 匯兌虧損(收益) – 淨額	5,549	(26,691)
Changes in working capital:	營運資金變動(不含收購附屬公司)：		
– Inventories	– 存貨	40,293	(145,119)
– Trade and other receivables	– 貿易及其他應收款項	165,671	(152,256)
– Trade and other payables	– 貿易及其他應付款項	(111,841)	(1,423)
Net cash generated from operations	經營業務所得現金淨額	2,582,464	2,245,508

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綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

32. CASH GENERATED FROM OPERATIONS (continued)

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

32. 經營活動產生的現金 (續)

於綜合現金流量表內，出售物業、機器及設備之所得款包括：

		Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
	Note 附註		
Net book amount	賬面淨值	1,471	1,013
Loss on disposal of property, plant and equipment	出售物業、機器及設備虧損	(1,145)	(287)
Currency translation differences	貨幣換算差額	49	(493)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備的所得款	375	233

33. COMMITMENTS – GROUP

(a) Capital commitments

Capital expenditure authorized but not contracted for, and contracted for but not yet incurred at the end of the year is as follows:

33. 承擔 – 本集團

(a) 資本承擔

於結算日已批准但未簽約及已簽約但仍未發生的資本開支如下：

		As at 31 March 於三月三十一日	
		2015 二零一五年	2014 二零一四年
Authorized but not contracted for Property, plant and equipment	已批准但未簽約： 物業、機器及設備	11,604	11,833
Contracted but not provided for Property, plant and equipment	已簽約但未撥備： 物業、機器及設備	80,655	44,709
Available-for-sale financial assets	可供出售金融資產	193,520	–
		285,779	56,542

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綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

33. COMMITMENTS – GROUP (continued)

(b) Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases at the closing date are as follows:

		As at 31 March 於三月三十一日	
		2015 二零一五年	2014 二零一四年
Land and buildings	土地及樓宇：		
Not later than 1 year	不超過1年	25,394	26,567
Later than 1 year and not later than 5 years	超過1年但不超過5年	57,792	48,014
Later than 5 years	超過5年	12,360	6,050
		95,546	80,631

34. RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Name

名稱

Ms. Chu

朱女士

Henan Jinrui

河南金瑞

Huangguoshu Jinye

黃果樹金葉

34. 關聯人士交易

(a) 關聯人士名稱與關係

Relationship

關係

The single largest shareholder of the Company
本公司的第一大股東

An associate indirectly held by the Company
which was sold during the year

本公司間接持有的聯營公司，並且已在今年出售

An associate indirectly held by the Company

本公司間接持有的聯營公司

Notes to the Consolidated Financial Statements

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

34. RELATED PARTY TRANSACTIONS (continued)

(b) 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 directors is disclosed in Note 26(b). The amounts of compensation paid and payable to senior management for employee services is shown below:

		Year ended 31 March 截至三月三十一日止年度	
		2015 二零一五年	2014 二零一四年
Fees, salaries and bonus	工資、薪酬及花紅	18,217	12,918
Employer's contribution to retirement benefit scheme	僱主就退休計劃供款	393	457
		18,610	13,375

The compensation of senior management fell within the following bands:

高級管理人員之酬金在以下範圍：

		Number of employees 僱員人數	
		2015 二零一五年	2014 二零一四年
Below HKD500,000	港幣500,000以下	1	–
HKD500,001 – HKD1,000,000	港幣500,001至1,000,000元	3	2
HKD1,000,001 – HKD1,500,000	港幣1,000,001至1,500,000元	1	3
HKD1,500,001 – HKD2,000,000	港幣1,500,001至2,000,000元	–	2
HKD2,000,001 – HKD2,500,000	港幣2,000,001至2,500,000元	1	–
HKD2,500,001 – HKD3,000,000	港幣2,500,001至3,000,000元	1	–
HKD4,500,001 – HKD5,000,000	港幣4,500,001至5,000,000元	2	1

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

34. RELATED PARTY TRANSACTIONS (continued)

34. 關聯人士交易 (續)

(c) Balances with related parties

(c) 關聯人士結餘

		As at 31 March 於三月三十一日	
		2015 二零一五年	2014 二零一四年
<i>Balances due from related parties:</i>	<i>應收關聯人士結餘：</i>		
– Henan Jinrui	– 河南金瑞		
– trade receivables	– 計入貿易應收款項	–	64
– others (dividend receivable)	– 計入其他(應收股利)	–	2,523
		–	2,587
– Huangguoshu Jinye	– 黃果樹金葉		
– other receivables	– 其他應收款	15	–
<i>Balances due to related parties:</i>	<i>應付關聯人士結餘：</i>		
Included in non-trade payables	計入應付非貿易款項		
– Ms. Chu	– 朱女士	23	93,985

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(除另有說明者外，所有金額以港幣千元列示)

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES

35. 主要附屬公司之詳情

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法定主體類別	Nominal value of issued/ registered capital 已發行/ 註冊資本面值	Percentage of equity interest attributable to the Company 本公司應佔 股本權益		Percentage of equity interest attributable to non- controlling interests 非控制性 權益應佔 股本權益	Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接		
Aromascape Development Centre GmbH ^{FC1, AD1}	Germany, Limited liability company 德國，有限責任公司	EUR25,000 歐元25,000	-	100	-	Research and development of flavours & fragrances in Germany 研發香精香料，德國
Chemactive Investments Limited ^{C1}	British Virgin Islands, Limited liability company 英屬處女島，有限責任公司	USD2 美元2	100	-	-	Investment holding in Hong Kong 投資控股，香港
Feijia Chuangye Additive (Shenzhen) Limited ^{X1} 飛嘉創業添加劑（深圳） 有限公司 ^{X1}	PRC*, Limited liability company 中國*，有限責任公司	HKD1,000,000 港幣1,000,000	-	100	-	Production, technical research & development, distribution, import & export of flavours & fragrances & related business in PRC 香精香料的生產、技術 開發、批發、進出口及 相關配套業務，中國
F&G Botswana (Pty) Limited	Republic of Botswana, Limited liability company 博茨瓦納共和國， 有限責任公司	BWP100 普拉100元	-	100	-	Production and sales of natural extracts in Botswana 生產和銷售天然提取物， 博茨瓦納共和國
Guangdong Golden leaf Technology Development Co., Ltd. ^{SJ1, YX1} 廣東省金葉科技開發 有限公司 ^{SJ1, YX1}	PRC*, Limited liability company 中國*，有限責任公司	RMB100,000,000 人民幣100,000,000元	-	100	-	Research & development, manufacture and sale of reconstituted tobacco leaves in PRC 研發、生產及銷售煙草薄片， 中國

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35. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued) 35. 主要附屬公司之詳情 (續)

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定主體類別	Nominal value of issued/registered capital 已發行／註冊資本面值	Percentage of equity interest attributable to the Company 本公司應佔股本權益		Percentage of equity interest attributable to non-controlling interests 非控制性權益應佔股本權益	Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接		
Guangdong Jinke Reconstituted Tobacco Leaves Co., Ltd. ^{SJ1, XQ1, YX1, YX2} 廣東金科再造煙葉有限公司 ^{SJ1, XQ1, YX1, YX2}	PRC*, Limited liability company 中國，有限責任公司	RMB40,000,000 人民幣40,000,000元	-	55.375	44.625	Manufacture & sale of reconstituted tobacco leaves in PRC 生產及銷售煙草薄片，中國
Guangzhou Huabao Flavour & Fragrances Co., Ltd. ^{CH1, CH2, X1} 廣州華寶香精香料有限公司 ^{CH1, CH2, X1}	PRC*, Limited liability company 中國*，有限責任公司	RMB10,000,000 人民幣10,000,000元	-	100	-	Research, development, manufacturing & sales of flavours & fragrances in PRC 研發、生產及銷售香精香料，中國
Guizhou Province Huashuo Biological Technology Co., Ltd. ^{YX1, YX2} 貴州省華樂生物科技有限公司 ^{YX1, YX2}	PRC*, Limited liability company 中國*，有限責任公司	RMB10,000,000 人民幣10,000,000元	-	100	-	Manufacturing & sales of natural extracts in PRC 生產和銷售天然提取物、生物技術產品及香精香料，中國
Hua Fang Tobacco Flavors Ltd. ^{C1, FC1, W1} 華芳煙用香料有限公司 ^{C1, FC1, W1}	PRC*, Limited liability company 中國*，有限責任公司	USD4,000,000 美元4,000,000	-	51	49	Manufacturing & sales of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料，中國

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35. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued) 35. 主要附屬公司之詳情 (續)

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定主體類別	Nominal value of issued/registered capital 已發行／註冊資本面值	Percentage of equity interest attributable to the Company 本公司應佔股本權益		Percentage of equity interest attributable to non-controlling interests 非控制性權益應佔股本權益	Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接		
Huabao Flavours & Fragrances (HK) Limited ^{C1, FC1} 華寶香精香料(香港)有限公司 ^{C1, FC1}	Hong Kong, Limited liability company 香港，有限責任公司	HKD3,000,000 港幣3,000,000元	-	100	-	Research, development, manufacturing & sales of flavours & fragrances in Hong Kong 研發、生產及銷售香精香料，香港
Huabao Food Flavour & Fragrance (Shanghai) Co, Ltd. ^{W1, YX1, YX2} 華寶食用香精香料(上海)有限公司 ^{W1, YX1, YX2}	PRC*, Limited liability company 中國*，有限責任公司	USD10,000,000 美元10,000,000	-	100	-	Manufacturing & sales of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料，中國
Hua Bao Industrial & Trading Development (HK) Limited ^{C1, X1} 華寶工貿發展(香港)有限公司 ^{C1, X1}	Hong Kong, Limited liability company 香港，有限責任公司	HKD10,000 港幣10,000元	-	100	-	Investment holding, trading of fine chemicals in Hong Kong 投資控股、精細化工產品貿易，香港
Huabao Korea Company Limited ^{XQ1} 華寶韓國株式會社 ^{XQ1}	Korea, Limited liability company 韓國，有限責任公司	WON16,320,000,000 韓圓16,320,000,000	-	100	-	Manufacture and sale of Filter materials in Korea 研發、生產及銷售香煙濾咀產品，韓國

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35. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued) 35. 主要附屬公司之詳情 (續)

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定主體類別	Nominal value of issued/registered capital 已發行／註冊資本面值	Percentage of equity interest attributable to the Company 本公司應佔股本權益		Percentage of equity interest attributable to non-controlling interests 非控制性權益應佔股本權益	Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接		
Huabao Qianqi Leasing (Shenzhen) Co., Ltd. ^{X1, XQ1, XQ2} 華寶千祺租賃(深圳)有限公司 ^{X1, XQ1, XQ2}	PRC*, Limited liability company 中國*, 有限責任公司	RMB300,000,000 人民幣300,000,000元	-	100	-	Equipment leasing, Office Stationery leasing, assets management, investment management, investment and leasing consulting 機器設備租賃、辦公用品租賃、資產管理、投資管理、投資諮詢和租賃交易諮詢
Huashun Flavours (Shanghai) Co., Ltd. ^{W1, W2, X1} 華順香料(上海)有限公司 ^{W1, W2, X1}	PRC*, Limited liability company 中國*, 有限責任公司	USD1,000,000 美元1,000,000	-	100	-	Manufacture and sale of fine chemicals in PRC 精細化工產品研發、生產及銷售，中國
Owada Flavours Technology (Guangzhou) Co., Ltd. ^{SJ1, XQ1, XQ2} 澳華達香料科技(廣州)有限公司 ^{SJ1, XQ1, XQ2}	PRC*, Limited liability company 中國*, 有限責任公司	HKD60,000,000 港幣60,000,000元	-	100	-	Research, development, production and sale of tobacco flavours & fragrances in PRC 研發、生產、加工及銷售各類合成香料及香精產品，中國
Qingdao Huabao Flavors & Fragrances Co., Ltd. ^{C1, W1} 青島華寶香精香料有限公司 ^{C1, W1}	PRC*, Limited liability company 中國*, 有限責任公司	HKD3,673,500 港幣3,673,500元	-	70	30	Manufacture and sale of flavors & fragrances in PRC 生產及銷售香精香料，中國
Qingdao Qingda Product Co., Ltd. ^{CH1, CH2} 青島青大物產股份有限公司 ^{CH1, CH2}	PRC*, Limited liability company 中國*, 有限責任公司	RMB41,640,000 人民幣41,640,000元	-	100	-	Manufacturing & sales of natural extracts in PRC 生產及銷售天然提取物，中國

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued) 35. 主要附屬公司之詳情 (續)

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定主體類別	Nominal value of issued/registered capital 已發行／註冊資本面值	Percentage of equity interest attributable to the Company 本公司應佔股本權益		Percentage of equity interest attributable to non-controlling interests 非控制性權益應佔股本權益	Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接		
Shanghai Danhua Xianghua Keji Co., Ltd. ^{S1} 上海丹華香化科技有限公司 ^{S1}	PRC*, Limited liability company 中國*，有限責任公司	RMB10,000,000 人民幣10,000,000元	-	72	28	Research, development and sale of flavours & fragrances in PRC 研發、生產及銷售香精香料，中國
Shanghai H&K Flavors & Fragrances Co., Ltd. ^{CH1, CH2, W1, X1} 上海華寶孔雀香精香料有限公司 ^{CH1, CH2, W1, X1}	PRC*, Limited liability company 中國*，有限責任公司	RMB100,000,000 人民幣100,000,000元	-	100	-	Manufacturing & sales of food flavours & fragrances in PRC 生產及銷售食品香精香料，中國
Shanghai Yinghua Flavors & Fragrances Co., Ltd. ^{CH1} 上海英華香精香料有限公司 ^{CH1}	PRC*, Limited liability company 中國*，有限責任公司	HKD1,000,000 港幣1,000,000元	-	100	-	Sales of tobacco flavours & fragrances in PRC 銷售煙用香精香料，中國
Smart Sino International Limited ^{C1, X1} 華烽國際有限公司 ^{C1, X1}	Hong Kong, Limited liability company 香港，有限責任公司	HKD10,000 港幣10,000元	-	100	-	Investment holding, trading of fine chemicals in Hong Kong 投資控股，精細化工產品貿易，香港
Taicang Wenhua Industrial co., Ltd. ^{W1, X1, X2} 太倉文華實業有限公司 ^{W1, X1, X2}	PRC*, Limited liability company 中國*，有限責任公司	USD1,200,000 美元1,200,000元	-	100	-	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售香精香料，中國

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued) 35. 主要附屬公司之詳情 (續)

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定主體類別	Nominal value of issued/registered capital 已發行／註冊資本面值	Percentage of equity interest attributable to the Company 本公司應佔股本權益		Percentage of equity interest attributable to non-controlling interests 非控制性權益應佔股本權益	Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接		
Wisdom Bright International Investment Limited ^{C1, X1} 智輝國際投資有限公司 ^{C1, X1}	Hong Kong, Limited liability company 香港，有限責任公司	HKD1 港幣1元	-	100	-	Investment holding, trading of fine chemicals in Hong Kong 投資控股，精細化工產品貿易，香港
Wuxi Fuhua Flavour & Fragrance Co., Ltd. ^{W1, W2, X1} 無錫福華香精香料有限公司 ^{W1, W2, X1}	PRC*, Limited liability company 中國*，有限責任公司	USD7,000,000 美元7,000,000	-	100	-	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料，中國
Wuxi Huahai Flavors Ltd. ^{W1, W2, X1} 無錫華海香料有限公司 ^{W1, W2, X1}	PRC*, Limited liability company 中國*，有限責任公司	USD650,000 美元650,000	-	100	-	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售香精香料，中國
Wuxi Huaxin Flavors & Fragrances Co., Ltd. ^{W1, X1, X2} 無錫華馨香精香料有限公司 ^{W1, X1, X2}	PRC*, Limited liability company 中國*，有限責任公司	USD1,000,000 美元1,000,000	-	100	-	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料，中國
Wuxi Jiahua Flavour & Fragrance Co., Ltd. ^{W1, W2, X1} 無錫嘉華香精香料有限公司 ^{W1, W2, X1}	PRC*, Limited liability company 中國*，有限責任公司	RMB60,000,000 人民幣60,000,000元	-	100	-	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料，中國

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued) 35. 主要附屬公司之詳情 (續)

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定主體類別	Nominal value of issued/registered capital 已發行／註冊資本面值	Percentage of equity interest attributable to the Company		Percentage of equity interest attributable to non-controlling interests 非控制性權益應佔股本權益	Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接		
Xiamen Amber Daily Chemical Technology Co., Ltd. (formerly known as "Xiamen Amber Fragrances Co., Ltd.") ^{CH1, CH2, XQ1} 廈門琥珀日化科技股份有限公司 (前稱「廈門琥珀香料有限公司」) ^{CH1, CH2, XQ1}	PRC*, Limited liability company 中國*, 有限責任公司	RMB30,000,000 人民幣30,000,000元	-	51	49	Research, development, distribution and retail of fragrances in PRC 研發、生產、批發及零售日用化工產品，中國
Yingtian Huabao Flavours & Fragrances Co., Ltd. ^{W1, X1, X2} 鷹潭華寶香精香料有限公司 ^{W1, X1, X2}	PRC*, Limited liability company 中國*, 有限責任公司	RMB100,000,000 人民幣100,000,000元	-	100	-	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售香精香料，中國
Yongzhou Shan Xiang Flavour Co., Ltd. ^{CH1, CH2} 永州山香香料有限公司 ^{CH1, CH2}	PRC*, Limited liability company 中國*, 有限責任公司	RMB35,000,000 人民幣35,000,000元	-	79.14	20.86	Production and sale of flavours & fragrances in PRC 生產及銷售香精香料，中國
Yunnan Tianhong Flavor & Fragrance Co., Ltd. ^{C1, C2} 雲南天宏香精香料有限公司 ^{C1, C2}	PRC*, Limited liability company 中國*, 有限責任公司	USD2,550,000 美元2,550,000	-	60	40	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售香精香料，中國
Zhaoqing Perfumery Co., Ltd. (Guangdong) ^{CH1, CH2} 廣東省肇慶香料廠有限公司 ^{CH1, CH2}	PRC*, Limited liability company 中國*, 有限責任公司	RMB11,000,000 人民幣11,000,000元	-	100	-	Manufacturing & sales of food flavours & fragrances in PRC 生產及銷售香精香料，中國

* All entities incorporated in PRC are identified as "limited liability company".

* 所有於中國註冊成立的公司皆為有限責任公司。

Five Year Financial Summary

五年財務摘要

RESULTS

業績

		Year ended 31 March 截至三月三十一日止年度				2015
		2011 二零一一年	2012 二零一二年	2013 二零一三年	2014 二零一四年	二零一五年
Turnover	營業額	2,852,173	3,311,304	3,645,940	4,237,425	4,326,486
Gross Profit	毛利	2,120,459	2,335,996	2,518,909	2,998,119	3,025,317
Profit before income tax	除稅前盈利	1,881,114	2,080,989	2,047,404	2,417,245	2,386,247
Income tax expenses	所得稅	(249,256)	(314,250)	(314,804)	(420,381)	(391,054)
Profit for the year	本年度盈利	1,631,858	1,766,739	1,732,600	1,996,864	1,995,193

ASSETS AND LIABILITIES

資產及負債

		As at 31 March 於三月三十一日				2015
		2011 二零一一年	2012 二零一二年	2013 二零一三年	2014 二零一四年	二零一五年
Total assets	總資產	6,927,840	8,351,919	8,882,793	10,408,406	10,900,867
Total liabilities	總負債	(1,631,977)	(1,701,670)	(1,257,117)	(1,408,177)	(1,497,025)
Shareholders' funds	淨資產	5,295,863	6,650,249	7,625,676	9,000,229	9,403,842

OTHER FINANCIAL INFORMATION

其他財務數據

		2011 二零一一年	2012 二零一二年	2013 二零一三年	2014 二零一四年	2015 二零一五年
Earnings per share, basic (HK cents)	每股盈利·基本(港仙)	51.01	55.48	54.53	63.76	64.02
Earnings per share, diluted (HK cents)	每股盈利·攤薄(港仙)	50.59	55.31	54.49	63.72	63.93
Aggregated dividend per share (HK cents)	每股全年累計股息(港仙)	15.18	16.68	16.88	19.17	9.52
Aggregated special dividend per share (HK cents)	每股全年累計特別股息 (港仙)	Nil	5.18	5.28	9.88	22.20
Fiscal year-end share prices (HKD)	財政年度結算日股價 (港元)	11.96	5.05	3.37	3.56	5.77
EBIT ratio	EBIT率	65.6%	62.3%	55.5%	56.1%	53.6%
EBITDA ratio	EBITDA率	68.5%	65.7%	59.4%	60.7%	58.2%
ROE	ROE	36.3%	30.8%	25.2%	24.8%	22.3%

Glossary

詞彙

AGM	Annual general meeting	股東週年大會	股東週年大會
Board	The board of directors of the Company	董事會	本公司的董事會
Bye-laws	Bye-laws of the Company	公司細則	本公司之公司細則
CAGR	Compound annual growth rate	年均複合增長率	年均複合增長率
Case	Each case contains 50,000 sticks of cigarette	箱	每箱含50,000支捲煙
CEO	Chief Executive Officer	首席執行官	首席執行官
CFO	Chief Financial Officer	財務總監	財務總監
CG Code	Corporate Governance Code as set out in Appendix 14 of the Listing Rules	企業管治守則	上市規則附錄十四所列的企業管治守則
China, Mainland or PRC	The People's Republic of China	中國或國內	中華人民共和國
China Tobacco Yunnan	China Tobacco Yunnan Industrial Co., Ltd.	雲南中煙	雲南中煙工業有限責任公司
Cigarette Overall Taste	cigarette's overall taste	整煙味道	捲煙整體味道
Company or Huabao	Huabao International Holdings Limited	本公司或華寶	華寶國際控股有限公司
Director(s)	The director(s) of the Company	董事	本公司董事
EPS	Earnings per share	每股盈利	每股盈利
Executive Director(s)	Executive director(s) of the Company	執行董事	本公司之執行董事
FCCA	Fellow member of the Association of Chartered Certified Accountants	FCCA	英國特許公認會計師公會資深會員
FCIS	Fellow member of The Institute of Chartered Secretaries and Administrators	FCIS	英國特許秘書及行政人員公會資深會員
FCPA	Fellow member of the Hong Kong Institute of Certified Public Accountants	FCPA	資深會計師
FCS	Fellow member of The Hong Kong Institute of Chartered Secretaries	FCS	香港特許秘書公會資深會員
Group or Huabao Group	the Company and its subsidiaries	本集團或華寶集團	本公司及其附屬公司
Guangdong Jinke	Guangdong Jinke Reconstituted Tobacco Leaves Co., Ltd.	廣東金科	廣東金科再造煙葉有限公司
Guangdong Jinye	Guangdong Golden Leaf Technology Development Co., Ltd.	廣東金葉	廣東省金葉科技開發有限公司
Guangdong Tobacco	China Tobacco Guangdong Industrial Co., Ltd.	廣東中煙	廣東中煙工業有限公司
Guangdong Tobacco Company	Guangdong Tobacco and its subsidiaries and related companies	廣東中煙公司	廣東中煙及其附屬公司及關聯企業
Guangdong Zhaoqing	Zhaoqing Perfumery Co., Ltd. (Guangdong)	廣東肇慶	廣東省肇慶香料廠有限公司

Guangzhou Huabao	Guangzhou Huabao Flavours & Fragrances Co Ltd.	廣州華寶	廣州華寶香精香料有限公司
Guangzhou Huafang	Hua Fang Tobacco Flavors Ltd.	廣州華芳	華芳煙用香料有限公司
Henan Jinrui	Henan Jinrui Flavours Co., Limited	河南金瑞	河南金瑞香精香料有限公司
Hengxin Analysis and Inspection	Shanghai Hengxin Jiance Jishu Co., Ltd.	衡欣檢測	上海衡欣檢測技術有限公司
HKD	Hong Kong dollars, the lawful currency of Hong Kong	港幣	港幣，香港法定貨幣
HKICPA	Hong Kong Institute of Certified Public Accountants	HKICPA	香港會計師公會
Hong Kong or HKSAR	Hong Kong Special Administrative Region of the People's Republic of China	香港	中華人民共和國香港特別行政區
Hongta Tobacco	Hongta Tobacco (Group) Co., Ltd.	紅塔煙草	紅塔煙草(集團)有限責任公司
Hongta Tobacco Group	Hongta Tobacco and its subsidiaries and related companies	紅塔煙草集團	紅塔煙草及其附屬公司及關聯企業
Huabao Kongque	Shanghai H&K Flavours & Fragrances Co., Ltd.	華寶孔雀	上海華寶孔雀香精香料有限公司
Huabao Korea	Huabao Korea Co., Ltd.	華寶韓國	華寶韓國株式會社
Huabao Shanghai	Huabao Food Flavours & Fragrances (Shanghai) Co., Ltd.	華寶上海	華寶食用香精香料(上海)有限公司
INED(s)	Independent Non-executive Director(s) of the Company	獨立非執行董事	本公司之獨立非執行董事
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
M&A(s)	Merger and Acquisition	併購	合併與收購
mg	milligram	毫克	毫克
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
Non-executive Director(s)	Non-executive director(s) of the Company	非執行董事	本公司之非執行董事
Qingdao Qingda	Qingdao Qingda Product Co., Inc.	青島青大	青島青大物產股份有限公司
R&D	Research and development	研發	研究及發展
RMB	Renminbi, the lawful currency of the PRC	人民幣	人民幣，中華人民共和國法定貨幣
RTL	Reconstituted Tobacco Leaves	煙草薄片	再造煙葉
Scheme Mandate Limit	The Maximum number of Shares in respect of which share options may be granted under the Share Option Scheme and any other share option scheme(s) of the Company	計劃授權限額	與根據購股權計劃及任何其他本公司購股權計劃授出之購股權有關之股份數目上限
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

Glossary

詞彙

SGM	Special general meeting	股東特別大會	股東特別大會
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
Sino Investment	Sino Investment High-Tech Limited	中投科技	中投科技有限公司
STMA	State Tobacco Monopoly Administration	國煙局	國家煙草專賣局
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
Wuxi Huahai	Wuxi Hua Hai Flavour Co., Ltd.	無錫華海	無錫華海香精香料有限公司
Xiamen Amber	Xiamen Amber Daily Chemical Technology Co., Ltd. (formerly known as "Xiamen Amber Fragrance Co., Ltd.")	廈門琥珀	廈門琥珀日化科技股份有限公司 (前稱「廈門琥珀香料有限公司」)
Yunnan Tianhong	Yunnan Tianhong Flavour & Fragrance Co., Ltd.	雲南天宏	雲南天宏香精香料有限公司

