



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

Annual Report
2018
年度報告



*Natural
Healthy and Delicious*

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

QUALIFIED ACCOUNTANT

Ms. CHOY Man Har *FCPA, FCCA*

COMPANY SECRETARY

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

AUDITORS

PricewaterhouseCoopers

LEGAL ADVISOR

Herbert Smith Freehills

公司資料

董事會

執行董事

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

獨立非執行董事

李祿兆先生
麻雲燕女士
丁寧寧博士
胡志強先生

審核委員會

李祿兆先生 (*主席*)
麻雲燕女士
丁寧寧博士
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*)
李祿兆先生
丁寧寧博士

合資格會計師

蔡文霞女士 *FCPA, FCCA*

公司秘書

潘昭國先生 *FCIS, FCS, FCPA (Aust.)*

核數師

羅兵咸永道會計師事務所

法律顧問

史密夫斐爾律師事務所



Corporate Information

PRINCIPAL BANKERS

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

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.huabao.com.hk

公司資料

主要往來銀行

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

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.huabao.com.hk



Financial Highlights

財務摘要

		Nine months ended 31 December 2018 截至 二零一八年 十二月三十一 止九個月 RMB'000 人民幣千元	Year ended 31 March 2018 截至 二零一八年 三月三十一 止年度 RMB'000 人民幣千元 (Restated) (經重列)
Revenue	營業額	3,058,707	3,628,116
Gross profit	毛利	1,949,805	2,463,927
Gross profit margin	毛利率	63.7%	67.9%
Operating profit	營運盈利	1,287,750	1,732,144
EBITDA margin	EBITDA率	46.9%	52.4%
EBIT margin	EBIT率	42.1%	47.7%
Selling and marketing expenses to sales	銷售及市場推廣開支佔銷售比率	6.8%	5.1%
Administration expenses to sales	行政開支佔銷售比率	18.8%	19.9%
Profit before income tax	除稅前盈利	1,374,957	1,859,553
Profit from continuing operations	持續經營業務之盈利	1,054,152	1,509,866
Profit from continuing and discontinued operations attributable to the equity holders of the Company	本公司權益持有人應佔持續經營與終止經營業務之盈利	1,017,959	1,263,797
Basic and diluted earnings/(loss) per share (RMB cents)	每股基本及攤薄盈利／(虧損) (人民幣分)		
– Continuing operations	– 持續經營業務	27.78	43.22
– Discontinued operation	– 終止經營業務	4.97	(2.56)
		32.75	40.66
Net cash generated from operating activities	營運活動產生之現金淨額	1,232,906	1,538,662
Net cash*	淨現金*	3,452,252	7,502,606
Total equity	總權益	13,745,418	13,118,337
Final dividend per share (HK cents)	每股期末股息(港仙)	8.8	15.0
Special dividend per share (HK cents)	每股特別股息(港仙)	18.9	–
Total dividend for the current reporting period/year (HK cents)	本報告期間／全年股息 (港仙)	37.7	31.0
Dividend payout ratio for the current reporting period/year	本報告期間／全年派息率	100.9%	63.0%
Debt ratio#	負債比率#	31.4%	1.9%
Current ratio (times)	流動比率(倍)	4.2	9.3
Liquidity ratio (times)	速動比率(倍)	3.8	8.6
Inventory turnover (days)	存貨周轉率(日)	199	216
Trade receivables turnover (days)	應收賬款周轉率(日)	98	104
Trade payables turnover (days)	應付賬款周轉率(日)	78	89

* 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)".

* [淨現金]等於[短期定期存款]加[現金及現金等價物]減[貸款]。

[負債比率]等於[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, Corporate Culture

CORPORATE PROFILE

Huabao International Holdings Limited and its subsidiaries (the "Group"), consisting of flavours and fragrances segment, aroma raw materials segment, tobacco raw materials segment, condiments segment, is mainly engaged in the R&D, production and sales of flavours and fragrances, aroma raw materials, tobacco raw materials, as well as condiments. The Group also makes diversified investments around its core businesses. It is an industrial holding group based on China's taste-based consumer goods market.

集團簡介、企業文化

集團簡介

華寶國際控股有限公司及附屬公司（「本集團」）下設香精板塊、香原料板塊、煙用原料板塊及調味品板塊，主要從事香精、香原料、煙用原料和調味品的研發、生產和銷售，並圍繞核心產業鏈進行多元化投資，是一家基於中國味覺系消費品市場的投資實控股集團。



Company Profile, Corporate Culture

The Group is a market leader in China's flavours & fragrances industry. It owns many famous flavour brands, including "Huabao Flavours" on the A-Shares platform, "Hedon", "Huabao", "H&K", "Tianhong", "Huafang", "Owada", "Amber" and so on. The Group has internationalised product development and manufacturing capabilities, owns production bases in regions such as Shanghai, Guangdong, Jiangsu, Yunnan, Jiangxi, Fujian, Hong Kong and Botswana, etc., has a R&D centre in Holzminden, Germany, a state-level enterprise technology centre in Shanghai, and R&D departments in Guangdong, Yunnan and Fujian. Huabao Kongque, a subsidiary of the Group, is the Vice Chairman Unit of China Food Additives & Ingredients Association. At the same time, the Group takes on leadership roles in a number of industry associations which are relevant to flavours and fragrances business, including Deputy Director of China Association of Fragrance & Flavour and Cosmetic Industries, Deputy Director of China Association of Bakery & Confectionery Industry, Chairman of Shanghai Food Additive & Batching Association.

The Group is also one of the market leaders in China's tobacco raw materials field, where its production capacity and sales revenue account for a significant market share and its production technology and product quality have taken the leading position at domestic level and reached advanced international level. 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 RTL production line of Guangdong Jinye was completed, put into production and accepted by the STMA, which became the first landmark of papermaking RTL production line certified by the STMA. Its production technology has been recognized by the STMA to have reached the highest technology level in terms of domestic paper-making RTL production, while its major technical parameters have also reached advanced international levels. In 2016, the "Key Laboratory for RTL Technology Research in Tobacco Industry", jointly founded by Guangdong Jinye and Guangdong Tobacco, was selected as the sole laboratory in the RTL field in China. Guangdong Jinye became the sole RTL enterprise owning a national key laboratory in China. In terms of new materials, Shanghai Huabao Biological Technology Co., Ltd. has developed rapidly in the cigarette new materials field, which is represented by flavour capsule and core line and is becoming a new growth point. Newly established bases Jiangxi Huabao Xinhui Science & Technology Co. Ltd. in 2017, as well as Dianhua benxiang which was established by joint venture with Yunnan Tobacco New Materials Technology Co. Ltd. in 2018, became two flavour capsule business bases. Both of the bases expanded the Group's flavour capsule capacity.

集團簡介、企業文化

本集團為中國香精行業的領導者，旗下擁有A股上市平台華寶股份及「喜登」、「華寶」、「孔雀」、「天宏」、「華芳」、「澳華達」、「琥珀」等一系列知名香精品牌。本集團擁有國際化的產品研發和生產實力，在上海、廣東、江蘇、雲南、江西、福建、香港及博茲瓦納等地設有生產基地，在德國霍爾茨明登設有研發中心，在上海擁有國家級企業技術中心，另在廣東、雲南及福建設有研發部門。本集團下屬公司華寶孔雀為中國食品添加劑和配料協會副理事長單位。同時，本集團在香精業務相關行業組織中擔任多個領導職位，包括中國香精香料化妝品工業協會副理事長、中國烘焙食品糖製品工業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。

本集團也是中國煙用原料領域的領導者之一，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，並通過國煙局驗收，成為國內首條獲得認證的造紙法煙草薄片標志性生產線，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。二零一六年，廣東金葉與廣東中煙共建的「煙草行業再造煙葉技術研究重點實驗室」入選國家唯一再造煙葉領域實驗室，成為全國唯一擁有國家重點實驗室的煙草薄片企業。新材料方面，上海華寶生物科技有限公司在以爆珠、芯線等為代表的捲煙新材料領域發展非常迅速，正成為新的增長點。二零一七年新設的江西省華寶芯蓆科技有限公司及二零一八年與雲南中煙新材料科技有限公司合資成立的滇華本香成為爆珠業務的二大新基地，全面拓展爆珠產能。



Company Profile, Corporate Culture

The Group is also one of the leading enterprises in China's aroma raw materials field. The principal products include many natural aroma and synthetic aroma products. Its production capacity and sales revenue account for a significant market share in the industry, and its production technology and product quality have reached the leading domestic and international level. In 2015, the Group successfully acquired Yancheng Chunzhu, a leading enterprise in aroma raw materials industry. In 2017, the Group successfully acquired Jiangxi Xianghai. The acquisitions played a positive role in the establishment and layout of the Group's aroma raw materials segment. The Group, by virtue of its own industry advantages of the leading position and strong scientific research strength, plans to build a leading aroma raw materials production base in Asia and even the world.

In 2018, the Group made strategic adjustments to its business. Through the acquisition of Jiahao Foodstuff, the Group entered into the condiment market that is of great growth room, and also diversify the Group's business structure and sources of income. In addition, the Group successfully disposed of the loss-making e-cigarette business and optimised the Group's financial resources and efficiency.

At present, the Group has successfully established an industry chain with full coverage from raw materials, processing, to consumption, which brings the Group's competitive strength in taste-based fast-moving products industry to a new level. The Group will also combine its industry expertise and integration capability with the social capital, through the multi-capital platforms, multi-collaboration channels, as well as multi-investment collaboration models, to create more value for the shareholders.

集團簡介、企業文化

本集團還是中國香原料領域的領先企業之一，主要產品包括多種天然香料和合成香料。其生產能力和銷售額在行業內佔有重要市場份額，生產工藝及產品質量均達到國內外領先水平。於二零一五年，本集團成功收購香原料行業的龍頭企業鹽城春竹，於二零一七年，再次成功收購江西香海，對本集團香原料板塊的建立和布局起到了積極的作用。本集團將憑借自身在行業領先的地位優勢和強大的科研實力，打造亞洲乃至全球領先的香原料生產基地。

二零一八年，本集團對業務進行戰略性調整，透過收購嘉豪食品，進入具備巨大增長空間的複合調味品市場，進一步多元化集團業務結構，為股東創造更多收入來源。此外，本集團成功出售掉虧損的電子煙業務，優化集團財務資源及使用效率。

目前，本集團成功完成了「原料、加工、消費」一體化的全產業鏈覆蓋，在味覺系消費品市場的競爭實力進一步增強。本集團將繼續通過多資本平台，多合作渠道，及多種投資合作模式將我們的產業知識、整合能力與社會資本結合，為股東創造更大價值。



Company Profile, Corporate Culture

集團簡介、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

- Adhere to the “concentric diversification strategy” and develop into the world’s leading taste-based consumer product industrial holding group.
- Consolidate the existing market of flavours and fragrances and explore new markets with product and technology innovation
- Seize the opportunity of integration in aroma raw materials industry and strives to achieve the goal of “Being the world’s leader in the aroma raw materials industry”
- Closely monitoring opportunities in emerging markets and expand the markets of tobacco raw materials
- Consolidate the Group’s leading role in the niche segment in the condiment industry, leverage innovative sales platform and incentive measures to build condiment business as the Group’s growth line
- 堅持「同心多元化戰略」，發展成為全球領先的味覺系消費品實控集團
- 穩固香精業務的存量市場，透過產品及技術創新，開拓增量市場
- 抓住香原料行業整合的機會，向「成為全球香料行業的龍頭」這一目標奮進
- 密切關注新興市場業務機會，拓展煙用原料市場範圍
- 鞏固在調味品市場細分領域的領先地位，利用創新型銷售平台及激勵機制，推進調味品業務成為集團業績新的增長線

Chairlady Statement



CHU Lam Yiu
朱林瑤
Chairlady & CEO
主席兼首席執行官

主席報告書

Dear shareholders,

In 2018, the global economy and financial markets were turbulent due to the rise of trade protectionism, Brexit and risks in emerging economies. In 2018, China's economic growth rate reached 6.6%, the lowest growth rate in 28 years. Against the backdrop of slowdown in the macroeconomy, the Group adhered to the strategy of concentric diversification focusing on the taste-based industry and successfully completed the strategic adjustment of its business segment. During the Period Under Review, flavours and fragrances business was successfully listed in the A shares market and maintained steady growth. The Group tapped into the foodservice segment by successfully acquiring Jiahao Foodstuff through a competitive global bidding. In addition, the Group strategically disposed of VMR Products and exited the US market. Thanks to these adjustments, the Group further optimised its business structure and obtained a clearer growth path. For the nine months ended 31 December 2018, the Group's revenue amounted to approximately RMB3,059 million, net profit attributable to the shareholders of the Group amounted to approximately RMB1,018 million. I am delighted with the achievements of the Group.

During the Period Under Review, in response to the market and regulatory changes, the Group disposed of the US e-cigarette business which has been suffering loss at a reasonable consideration. The disposal not only offset the loss of the e-cigarette business in the past few years, but also enabled the Group to accumulate extensive experience in innovative tobacco products business. The Group believes that, by capitalising on its accumulated expertise and judgment, it could capture future opportunities in the innovative tobacco products business. Furthermore, the Group successfully acquired Jiahao Foodstuff, a leading manufacturer in the compound condiment industry. Benefiting from the acquisition, the Group further expanded its business to the downstream industry chain and explored condiment business with larger market scale and growth space. With such footprint in condiment business, the Group will be able to tap into the foodservice segment in the future and expand its business

各位股東，

二零一八年，受貿易保護主義抬頭、英國脫歐以及新興經濟體風險影響，全球經濟及金融市場動盪不安。二零一八年，中國經濟增長率達到6.6%，創下二十八年來最低增速。在宏觀經濟放緩的大環境下，本集團堅持以味覺系為中心的同心多元化戰略，卓有成效地推進了業務板塊的戰略調整。回顧期內，香精業務成功於A股上市並維持業績穩健增長。在激烈的全球競標中，集團成功收購嘉豪食品，進入大餐飲板塊。此外，集團戰術性出售VMR Products，退出美國市場。透過這些調整，本集團的業務結構得到進一步優化，增長路線更加清晰。截至二零一八年十二月三十一日止之九個月，本集團營業收入達到約人民幣30.59億元，歸屬於股東的淨利潤約人民幣10.18億元。對於集團取得的成績，我深感高興。

回顧期內，本集團根據市場及監管變化，以合理的對價出售掉連續虧損的美國電子煙業務，該項交易不僅抵消了該塊業務過去幾年的虧損，還為集團在新型煙草業務領域積累了豐富經驗。當有關新型煙草業務的機遇再次出現時，集團相信能夠憑借自身所積累的專業知識和判斷力把握機會。此外，集團成功收購了復合調味品行業領先的製造商嘉豪食品。該項收購使得集團業務進一步向下游產業鏈衍伸，開拓更具市場規模及增長性空間的調味品業務，還能夠在未來利用調味品業務切入大餐飲板塊，將集團業務範疇和水平再上一個台階。



Chairlady Statement

scope and capability. Through these strategic realignments, the Group has successfully established an industry chain with full coverage from raw materials, processing, to consumption, which brings the Group's competitive strength in taste-based fast-moving products industry to a higher level.

"Client first, value creation and shared achievements" is the core value of the Group. During the period under review, based on forward-looking market research, each segment of the Group provided its customers with stable and high-quality products and services that were well received by the market. At the same time, the Group aligned the interests of partners with that of customers through the innovative platform to fulfill our promise of creating value for customers. The Group pays high regards to the principle of "Success depends on effort" and understands that products and services innovation are underpinned by employees' initiative and execution capability. Therefore, despite the economic downturn, the Group remained unchanged in its investment in human resources in order to add value to its customers through the most outstanding talents.

Looking forward to 2019, Chinese government sets GDP growth target from 6% to 6.5%. At the Central Economic Work Conference, the leadership has indicated that there would be new and worrisome developments amid generally steady economic operation, the external environment is complicated and severe, and the economy faces downward pressure. With such challenging macroeconomic environment, the Group will respond positively by consolidating its share in the existing markets and identifying the problems and demands of customers and consumers while exploring potential new markets to help customers gain success. Our management is of the view that with the advancement of structural shift, China's economy will progress amid stability and moves toward a high-quality development path. Enterprises with competitive strength will be able to thrive in China, the world's largest consumer goods market.

Lastly, on behalf of the Board, I would like to extend my sincere gratitude to our shareholders, customers, suppliers, and business partners for their continuing support. Also, I would like to thank all the directors, management, and employees who have been dedicating to the development of Huabao. We look forward to continuing to work with you to create a better tomorrow.

CHU Lam Yiu
Chairlady & CEO

Hong Kong, 12 March 2019

主席報告書

透過戰略性的調整，集團成功完成了原料、加工、乃至消費的全產業鏈覆蓋，集團在味覺系快消品領域的競爭實力進一步提升。

「客戶至上、價值創造、共享共贏」是集團的核心價值觀。回顧期內，集團各個板塊均透過前瞻性的市場調研，為客戶提供穩定、高質量、受到市場歡迎的產品和服務，同時還透過創新性的平台，將合作夥伴及客戶的利益一致化，踐行我們為客戶創造價值的承諾。集團深知「事在人為」的道理，產品及服務的創新離不開員工工作主動性的發揮及腳踏實地的執行能力。因此，即使在經濟下行週期，集團仍然維持對人力資源的投入，透過最優秀的人才為客戶增值。

展望二零一九年，中國政府將國民生產總值增長目標調整至6%至6.5%之間。中央經濟工作會議也指出中國經濟「穩中有變、變中有憂、外部環境複雜嚴峻，經濟面臨下行壓力」。面對極具挑戰性的宏觀經濟環境，集團會正面應對，鞏固存量市場分額，深挖客戶及消費者的痛點和需求，同時開拓增量市場，協助客戶成功。管理層相信，隨著中國經濟結構性調整的推進，中國經濟將穩中有進，逐步走向高質量發展道路，具備競爭實力的企業將能夠在中國這個全球最大的消費品市場上茁壯成長。

最後，本人謹代表董事會對各位股東、客戶、供應商及業務夥伴長期的支持表示衷心的感謝，同時對所有曾為華寶發展付出努力的董事、管理層及員工致以誠摯的謝意。我們期待繼續與大家攜手，共拓美好明天。

朱林瑤
主席兼首席執行官

香港，二零一九年三月十二日



Management Discussion and Analysis

RECENT ACQUISITIONS AND DISPOSALS

Acquisition of Jiahao Foodstuff

On 4 September 2018, the Group successfully acquired 100% interest of Jiahao Foodstuff at a final consideration of approximately USD696 million. Driven by the development of the domestic economy, increasing urbanization, consumption upgrade, and change of consumption environment and patterns, China's foodservice market enjoys a rapid growth. As the foodservice industry further develops towards to chainstore and customized direction, restaurants' demand for condiments of high quality, high stability and high-customization grows significantly. Guangdong Jiahao was established in 1994, it has advantages in the niche market. Guangdong Jiahao's two major products, chicken bouillon and wasabi paste, are widely known and recognized in China's foodservice industry and possessed a leading market share. At present, Jiahao Foodstuff has a nationwide distribution network aiming at foodservice clients. Jiahao Foodstuff would leverage innovative strategic sales platform to strengthen its sales power. Jiahao Foodstuff positions itself as "Professional brand for the professional chef", its "Close Connection" marketing strategies enables Jiahao Foodstuff's salespersons to better understand the chefs and restaurants' demand, thereby developing products that could meet the market's demand and preference. In addition, Guangdong Jiahao is located in the trade centre of Zhongshan, a city that has easy access to all means of transportation with an advantage over production cost. The management of Jiahao Foodstuff have extensive operating and managing experience in the condiment industry. After the acquisition, the Group will gradually implement the synergies of the acquisition in terms of distribution channel, cost control and R&D. The acquisition of Jiahao Foodstuff is an implementation of the Group's strategy "Concentric Diversification based on Consumers' demand in the Taste-based Fast-moving Products Industry". Jiahao Foodstuff offers an opportunity to the Group to break into the RMB100 billion condiment market. Jiahao Foodstuff will expand the Group's business operation scope, optimize business structures, and create more value for our shareholders.

Acquisition of Hunan Jishou

In September 2018, Smart Sino (Shanghai) Investment Management Co., Ltd., a subsidiary of the Group, acquired 85% equity interest in Hunan Jishou, a company incorporated in China. The consideration of the acquisition was RMB13,498,000 in cash. Hunan Jishou mainly engages in the production and sales of cigarette materials and cigarette filters. The Group will strengthen its layout in the cigarette materials industry and expand its scope of operation.

管理層討論及分析

最新收購及出售

收購嘉豪食品

於二零一八年九月四日，本集團成功完成收購嘉豪食品的100%股權，最終收購代價約為6.96億美元。受國民經濟發展、城鎮化率提高、消費升級提升以及消費場景變化的驅動，中國餐飲服務市場呈現穩步快速增長。隨著餐飲行業進一步向連鎖化、標準化方向發展，餐廳對於具備高質量、高穩定性及個性化的調味品需求進一步增長。成立於1994年的廣東嘉豪在調味品細分市場佔據優勢，其雞汁和芥辣兩大核心產品在中國餐飲行業擁有很高的美譽度和認可度，市場份額領先。目前，嘉豪食品的經銷網絡覆蓋全國，面向餐飲客戶。嘉豪食品將通過創新的戰略銷售平台安排，強化銷售能力。嘉豪食品的定位為「為專業廚師服務的專業品牌」，其「近距離接觸」的營銷模式使公司銷售人員能夠了解廚師和餐廳需求，開發出符合市場需求的、好賣的產品。此外，廣東嘉豪位於貿易樞紐中山，交通便利、成本優勢明顯，管理層也在調味品行業擁有豐富的營運和管理經驗。收購完成後，本集團將進一步從分銷渠道、成本控制及研發三方面入手，逐步實現收購後的協同效應。收購嘉豪食品符合本集團「在味覺系快消品領域，以消費者需求為引擎的同心多元化」戰略，同時也是本集團進入調味品這一達人民幣千億市場規模的優質選擇，嘉豪食品將擴大本集團的經營範圍、優化業務結構，為股東創造更多價值。

收購湖南吉首

於二零一八年九月，本集團之附屬公司華烽（上海）投資管理有限公司，以現金代價人民幣13,498,000元收購一家於中國成立的公司湖南吉首的85%權益。湖南吉首主要從事煙用材料及濾嘴棒的生產及銷售。通過收購，將強化本集團在煙用材料行業的佈局，拓寬本集團的經營範圍。



Management Discussion and Analysis

Disposal of the E-cigarette Business

On 2 October 2018 (Florida time, United States), VMR Products, a non-wholly owned subsidiary of the Group, entered into and completed an agreement with, among others, JUUL Labs, Inc. and its subsidiary to dispose all of the issued and outstanding units of VMR Products. The Group has approximately 62.7% indirect interest of the issued and outstanding units of VMR Products. The consideration of the disposal was USD31,352,380 and the cash have already been received by the Group. VMR Products is engaged in the design, engineering, production, assembly, integration, manufacture, marketing, sale, supply and distribution of electronic cigarettes. The successful disposal of VMR Products significantly minimized the policy and regulatory risks of the Group in the e-cigarette business and further enhanced the Group's financial position.

INDUSTRY OVERVIEW

Overview of the tobacco industry

In 2018, in the context of escalating trade frictions, increasing geopolitical risks and volatility in capital flows in emerging market economies, the global economy slowed down. In 2018, China's GDP grew by 6.6%, the lowest in 28 years. In the short term, structural reform measures will put certain downward pressure on China's economy, but in the long run, the Chinese economy is still empowered with momentum to move forward. As an important part of the real economy, the tobacco industry has anti-cyclical and defensiveness characteristics. In light of the severe domestic and global macroeconomic situation, the tobacco industry is still developing steadily and forwardly.

In 2018, the total industrial and commercial tax and profit of the tobacco industry was RMB1,155.6 billion, representing an increase of 3.69% year-on-year; the contribution to the national treasury amounted to RMB1,000.08 billion, representing an increase of 3.37% year-on-year; the industry added value was RMB787.7 billion, representing an increase of 4.88% year-on-year; the total income of nationwide tobacco farmers from planting tobacco leaves amounted to RMB55.0 billion and the average income from planting tobacco leaves per tobacco farmer was RMB54,000, helping 41,000 poor tobacco farmers to shake off poverty.

In respect of R&D of new cigarette products, thin, short, medium-length and capsule cigarettes remained the core of new product development market. Short cigarettes were popular in the market due to the compact and stylish shape, delicacy and elegance, portability and lower tar content. The sales volume of capsule cigarettes remained rapid growth due to its varied tastes and rich interestingness throughout the year. In the short term, thin, short, medium-length, and capsule cigarettes will continue to play a leading role in optimising the structure of cigarettes and propelling the sales volume of cigarettes.

管理層討論及分析

出售電子煙業務

於二零一八年十月二日(美國佛羅里達州時間)，本集團之非全資附屬公司VMR Products與JUUL Labs, Inc.及其附屬公司簽訂並完成協議，以出售VMR Products的全部已發行及未行使單位。本集團間接持有VMR Products已發行及尚未行使單位的62.7%的權益，出售代價為美元31,352,380且已收到現金對價。VMR Products主要從事設計、生產、組裝、整合、推廣、銷售、營銷及分銷電子煙。VMR Products的成功出售大大降低了本集團在電子霧化煙領域所面臨的政策及監管風險，對集團的財務狀況也有進一步提升。

行業概況

煙草行業概況

二零一八年，在貿易摩擦升級、地緣政治風險加劇以及新興市場經濟體資本流動波動的大背景下，全球經濟發展放緩。二零一八年全年，中國GDP增長6.6%，為二十八年來最低。短期來看，結構性的改革措施會使中國經濟面臨一定下行壓力，但長遠來看，中國經濟仍具備向前發展的動能。煙草行業是實體經濟的重要組成部分，具有抗週期、防禦性的行業特點，在國內外宏觀經濟形勢嚴峻的大環境下，煙草行業仍然穩中有進、向前發展。

二零一八年全年煙草行業實現工商稅利總額人民幣11,556億元，同比增長3.69%；上繳國家財政總額人民幣10,000.8億元，同比增長3.37%；實現工業增加值人民幣7,877億元，同比增長4.88%；全國實現煙農種煙總收入人民幣550億元，戶均種煙收入人民幣5.4萬元，幫助4.1萬戶貧困煙農實現脫貧。

捲煙新品研發方面，細支煙、短支煙、中支煙和爆珠煙依然是新品開發市場的核心。短支煙因其小巧時尚、精緻優雅、便於攜帶、焦油含量更低的特點，受到市場歡迎；因口味多變、富於趣味性而在近年大受歡迎的爆珠煙繼續維持快速增長。短期來看，細支煙、短支煙、中支煙和爆珠煙將繼續在優化捲煙結構、提升捲煙銷量方面起到領頭作用。



Management Discussion and Analysis

In terms of tobacco leaves, the STMA implemented progressive regulation in three years from 2014 to 2016 to reduce the planting area and purchase volume of tobacco leaves and proactively control the inventory of tobacco leaves. Under the guidelines of “control of total amount, safeguard of red line and reduction of inventory”, the production of tobacco leaves was in stable development. (Source: STMA website)

Overview of food, beverage and fragrances industry

As affected by trade frictions and changes in the domestic and global macroeconomic environment, China's GDP recorded its lowest growth rate in 28 years in 2018, and there was much attention on “consumption downgrade”. Due to these unfavorable factors, the food and beverage industry, as a necessity for residents, also recorded decline. According to data from the National Bureau of Statistics, from January to December 2018, the sales revenue of food processing industry of industrial scale was RMB1,867.98 billion, representing a decrease of 20.6% year-on-year. The sales revenue of the alcohol, beverage and refined tea processing industry was RMB1,553.49 billion, representing a decrease of 13.30% year-on-year.

During the Period Under Review, “green, health and convenience” further became the development direction of the food and beverage industry. Due to the enhancement of consumers' health and environmental awareness, consumers had increasingly higher requirements on the traceability and sustainability of the raw materials of products, and enterprises that could make responsible purchases in production, supply and marketing were increasingly recognised by consumers. The aging of population has prompted more and more middle-aged and elderly consumers to pay attention to the medical functions and nutritional value of food and beverage products. The advancement of urbanisation has made young consumers' life busier and posed higher requirements on the packaging and portability of food and beverage products.

In respect of fragrances industry, according to the statistics of enterprises of industrial scale from the National Bureau of Statistics, from January to November 2018, the main business revenue of soap and detergents reached RMB138.9 billion, representing an increase of 1.9% year-on-year; the main business revenue of cosmetics was RMB134.3 billion, representing an increase of 12.72% year-on-year; the main business revenue of oral hygiene products amounted to RMB20.5 billion, representing an increase of 7.34% year-on-year. Soap and detergents accounted for the largest market share in the fragrances industry and the cosmetics industry flourished due to the promotion of the new business models including beauty makeup, new retail and social e-commerce.

管理層討論及分析

煙葉方面，國煙局於2014至2016年三年間透過漸進式調控，對煙葉種植面積和收購量進行調減，積極控制煙葉庫存。在「控總量、守紅線、降庫存」的指導方針下，煙葉生產平穩發展。（資料來源：國煙局網站）

食品、飲料和日化行業概況

受到貿易摩擦及國內外宏觀經濟環境變化影響，中國國民生產總值在二零一八年創下二十八年來最低增速，「消費降級」的聲音不絕於耳。受到這些不利因素的影響，作為居民生活必需品的食品飲料行業也錄得下滑。國家統計局數據顯示，二零一八年一至十二月，規模以上工業企業食品製造業營業收入人民幣18,679.8億元，同比減少20.6%。酒、飲料和精製茶製造業營業收入人民幣15,534.9億元，同比減少13.30%。

回顧期內，「綠色、健康、便利」進一步成為食品飲料行業發展的方向。由於消費者健康及環保意識的提高，消費者對產品原料的可追溯性、可持續性提出越來越高要求，在產供銷環節做到負責任採購的企業愈發受到消費者的認可。人口老齡化促使越來越多的中老年消費者開始關注食品飲料產品的醫療功能及營養價值。城鎮化的推進則使年輕消費者生活更加忙碌，對食品飲料產品的包裝及便攜性要求提升。

日化行業方面，根據國家統計局對規模以上企業的統計，二零一八年1-11月份，肥皂及洗滌劑主營業務收入人民幣1,389億元，比上年同期增長1.9%；化妝品主營業務收入人民幣1,343億元，比上年同期增長12.72%；口腔清潔用品主營業務收入人民幣205億元，比上年同期增長7.34%。肥皂及洗滌劑在日化行業佔據最大的市場份額，化妝品行業則在美妝、新零售、社交電商等新型商業模式推動下呈現蓬勃發展態勢。



Management Discussion and Analysis

Overview of the condiment industry

Condiments are the market's rigid demand and its downstream customers are mainly catering enterprises. According to the National Bureau of Statistics, in 2018, the market size of catering revenue exceeded RMB4 trillion for the first time, representing an increase of 9.5% year-on-year. In particular, the turnover of fast food and specialty catering enterprises increased rapidly. The turnover of fast food service enterprises increased by 10.4% over the last year, and the catering distribution and take-out delivery services increased by 18.8%. The steady development of the catering industry has driven the demand for condiments. In addition, the condiment industry has strong anti-cyclical and anti-inflation characteristics. Even in the economic downturn, the condiment market can still maintain positive development. Besides, the leading condiment enterprises rely on their own strengths and brand awareness to enhance their upstream and downstream bargaining power and pricing power, optimise product mix and reduce production costs, and to improve profits to further become larger and stronger. Small and medium-sized condiment enterprises have to further develop and deepen their sales channels to expand their sources of income. The condiment industry tends to be further integrated and the giants in the industry will be in a more favorable role.

RESULTS

For the nine months ended 31 December 2018, the Group's sales revenue from continuing operations reached approximately RMB3,059 million; the gross profit margin was approximately 63.7%; operating profit margin was approximately 42.1%; the profit attributable to the equity holders of the Company amounted to approximately RMB1,018 million; and the basic earnings per share was RMB32.75 cents.

Special note: Change of financial year end date

The Group's subsidiaries incorporated in the PRC are statutorily required to prepare their accounts with the financial year end date of 31 December. On 11 December 2018, the Board resolved to change the financial year end date of the Company from 31 March to 31 December to align the Company's financial year end date with that of the Group's PRC subsidiaries and to facilitate the preparation of the consolidated financial statements of the Group. This is the first financial year after the change, and the financial statements presented for current financial reporting period covered the nine-month period from 1 April to 31 December 2018 ("the Current Reporting Period") with the comparative figures covered the twelve-month period from 1 April 2017 to 31 March 2018 ("the Financial Year 2017/18").

管理層討論及分析

調味品行業概況

調味品屬於市場的剛性需求，下遊客戶以餐飲企業為主。根據國家統計局數據，二零一八年，餐飲收入市場規模首次超過人民幣4萬億元，同比增長9.5%。其中快餐、特色餐飲企業營業額較快增長，快餐服務企業營業額比上年增長10.4%，餐飲配送及外賣送餐服務增長18.8%。餐飲行業的穩健發展帶動對調味品的需求，加之調味品行業具備較強的抗週期、抗通脹特徵，即使在經濟下行週期，調味品市場亦能保持較好的發展。此外，龍頭調味品企業憑借自身實力及品牌知名度提升上下遊議價權及定價權、優化產品結構，降低生產成本，提升利潤水平，進一步做大做強。中小型調味品企業則需進一步開拓及下沉銷售渠道，擴大收入來源。調味品行業的集中度將繼續提升，朝向「強者更強」的方向發展。

業績

截至二零一八年十二月三十一日止九個月，本集團來自持續經營業務的銷售收入約人民幣30.59億元；毛利率約63.7%；營運盈利率約42.1%；本公司權益持有人應佔盈利約為人民幣10.18億元；每股基本盈利為人民幣32.75分。

特別說明：更改財政年度年結日

本集團於中國註冊成立之子公司按法定要求須以十二月三十一日為財政年度結算日編製賬目。董事會於2018年12月11日已決議把本公司財政年度年結日由3月31日更改為12月31日，旨在使本公司財政年度結算日與本集團於中國之子公司財政年度結算日一致，並將便於編製本集團綜合財務報表。本次為變更後第一個財政年度，故呈列之財務報告報告期涵蓋由2018年4月1日至12月31日止九個月的期間（「本報告期」），相關比較數字則涵蓋由2017年4月1日至2018年3月31日止十二個月期間（「2017/18財政年度」）。



Management Discussion and Analysis

The new financial years subsequent to the change would cover the full year from 1 January to 31 December of the same year. To provide a clear picture of the Group's operating results during the new financial year, the Group also presents the unaudited financial results for the twelve-month period from 1 January to 31 December 2018 ("the Period Under Review") and the twelve-month period from 1 January to 31 December 2017 ("the Corresponding Period Last Year") on a voluntary basis for year-on-year comparison.

The unaudited financial results for the Period Under Review and the Corresponding Period Last Year are summarized below:

管理層討論及分析

變更後，新財政年度的全年將涵蓋自1月1日至同年的12月31日。為清晰體現本集團在新財政年度期間的經營狀況，本集團亦自願呈列自2018年1月1日至12月31日止十二個月（「回顧期」）及2017年1月1日至12月31日止十二個月（「去年同期」）之未經審核財務業績，以供同期比較。

回顧期和去年同期之未經審核財務業績列示如下：

		Unaudited	
		For the twelve months	
		period ended 31 December	
		未經審計	
		截至十二月三十一日止十二個月	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<i>Continuing operations</i>	持續經營業務		
Revenue	營業額	3,981,536	3,453,461
Gross profit	毛利	2,590,939	2,293,186
<i>Gross profit ratio</i>	<i>毛利率</i>	65.1%	66.4%
Other income and other gains – net	其他收入及其他收益－淨額	180,464	170,294
Selling and marketing expenses	銷售及市場推廣開支	(264,169)	(170,820)
Administrative expenses	行政費用	(762,284)	(720,619)
Operating profit	營運盈利	1,744,950	1,572,041
Finance income – net	財務收入－淨額	112,892	99,954
Share of net profit of associates and a jointly controlled entity	應佔聯營公司及共同控制實體之盈利	14,272	16,285
Profit before income tax	除稅前盈利	1,872,114	1,688,280
Income tax expenses	所得稅	(430,529)	(340,814)
Profit from continuing operations for the period	持續經營業務之本期間盈利	1,441,585	1,347,466
Profit/(loss) from discontinued operation for the period	終止經營業務之本期間盈利／（虧損）	113,911	(104,977)
Profit for the period	期間盈利	1,555,496	1,242,489

Management Discussion and Analysis

管理層討論及分析

		Unaudited Segment Sales 未經審計 分部銷售收入		Unaudited Segment Results 未經審計 分部業績	
		For the twelve months ended 31 December 截至十二月三十一日 止十二個月		For the twelve months ended 31 December 截至十二月三十一日 止十二個月	
		2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Continuing operations:	持續經營業務:				
Flavours & Fragrances	香精	2,149,369	2,186,008	1,229,883	1,252,778
Tobacco Raw Materials	煙用原料	954,528	722,898	455,784	308,274
Aroma Raw Materials	香原料	706,469	546,031	117,649	109,108
Condiments	調味品	170,979	-	23,451	-
Others	其他	191	(1,476)	(81,817)	(98,119)
		3,981,536	3,453,461	1,744,950	1,572,041
Discontinued operation:	終止經營業務:				
Innovative Tobacco Products	新型煙草製品	169,232	234,779	138,048	(89,489)
Total	總計	4,150,768	3,688,240	1,882,998	1,482,552

BUSINESS REVIEW

Review of flavours and fragrances business

For the nine months ended 31 December 2018, the flavours and fragrance business recorded a sales revenue of approximately RMB1,664 million and an operating profit of approximately RMB953 million, operating profit margin of the business segment was approximately 57%. For the twelve months ended 31 December 2018, the flavours and fragrance business recorded a revenue of approximately RMB2,149 million, representing a slight decrease of approximately 1.7% as compared with the Corresponding Period Last Year; the operating profit of the segment amounted to RMB1,230 million, representing a slight decrease of approximately 1.8% as compared with the Corresponding Period Last Year. Operating profit margin reached approximately 57.2%, remaining almost the same as compared with the Corresponding Period Last Year. During the Period Under Review, the stability in the operating profit was mainly due to the optimization of product mix, upgrade of marketing strategies, and further efforts to develop new markets.

業務回顧

香精業務回顧

截至二零一八年十二月三十一日止九個月，香精業務銷售收入約人民幣16.64億元，營運盈利達人民幣約9.53億元，營運盈利率達約57%。截至二零一八年十二月三十一日止十二個月，香精業務銷售收入約人民幣21.49億元，較去年同期輕微下跌約1.7%；實現板塊營運盈利人民幣12.30億元，較去年同期輕微下跌約1.8%；板塊營運盈利率約57.2%，與去年同期基本持平。回顧期內營運盈利整體維持穩健，主要由於香精產品結構優化、營銷策略升級及加大力度開拓新市場所致。

Management Discussion and Analysis

(1) Flavours

In 2018, in a stable tobacco industry environment, the Group continued to focus on customers and better improve the stability and taste of the Company's tobacco flavours for customers through R&D in flavouring technology to consolidate customers' trust for the Group's products. During the Period Under Review, the Group following the trend, vigorously developed non-combustible flavour products to meet the rising market demand for non-combustible cigarettes. In terms of food flavours, the Group continued to maintain relationships with domestic well-known food and beverage customers, and relied on understanding of the differences in regional tastes in the Chinese market to provide customers with customised and feasible solutions to help their products have the right flavours. In response to the "Big Health" trend, Huabao Kongque of the Group launched sweet and scorch-type extracts using raw materials including highland barley to meet consumers' demand for natural and healthy products. In addition, Jiangxi Huabao Kongque of the Group has obtained a food production license, indicating that Jiangxi Huabao Kongque is qualified for production.

(2) Fragrances

Xiamen Amber Daily Chemical Technology Co., Ltd. has always been in the leading position in the fields of incenses and household disinfection and insecticide in the fragrance niche market of the PRC. As affected by the increasing environmental governance efforts in the country, the sales revenue of the sanitary fragrance market fell to some extent as compared to the Corresponding Period Last Year. Although traditional mosquito-repellent incense has been gradually replaced by clean and convenient liquid mosquito-repellent incense in recent years, the Group's household disinfection and insecticide fragrance business recorded a double-digit increase in revenue as compared with the Corresponding Period Last Year due to the upgrading of products, technical enhancement and optimisation of services. The revenue of personal care fragrance business recorded a single-digit increase as compared with the Corresponding Period Last Year as a result of the rising demand for shampoo and dye products.

管理層討論及分析

(1) 食用香精

二零一八年，在煙草行業穩健環境下，集團繼續以客戶為中心，透過對調香技術的研發，使公司的煙用香精產品能夠更好的提升客戶產品的穩定性和口感，強化客戶對集團產品的信賴。回顧期內，集團緊跟趨勢，大力研發非燃燒香精產品，以滿足市場逐步興起的對非燃燒捲煙的需求。食品用香精方面，集團繼續維持與國內知名食品及飲料客戶的關係，依靠對中國市場地區口味差異的了解，為客戶提供定制化及可行的解決方案，協助客戶做好產品的風味。集團旗下華寶孔雀跟隨「大健康」的趨勢，推出包括以青稞為原料的清甜型和焦香型提取物，滿足消費者對天然及健康產品的需求。此外，江西華寶孔雀已經獲得食品生產許可證，標誌著江西華寶孔雀已具備生產資質。

(2) 日用香精

廈門琥珀日化科技股份有限公司在日化用香精細分市場的熏香及消殺領域一直處於國內領先地位。受到國家環境治理力度不斷加大影響，衛生香市場銷售收入同比有所下滑。雖然傳統蚊香在近年來逐步被乾淨、方便的液體蚊香取代，但集團透過對產品的更新換代、技術的調整、以及服務的優化，使消殺類香精營業收入比去年同期有雙位數增長。個人護理類香精營業收入因為洗髮水及燙染產品需求上升，比去年同期也有單位數增長。



Management Discussion and Analysis

In 2018, Huabao Flavours completed its initial public offering, raising proceeds of approximately RMB2,377 million and successfully listed on the ChiNext of Shenzhen Stock Exchange. For the twelve months ended 31 December 2018, a total of approximately RMB731.56 million of the proceeds was used for the investment projects as in the Company's circular dated 23 March 2017. Among them, approximately RMB72.88 million of the proceeds was used in the manufacturing base of Huabao Yingtan's Flavours and Ingredients, representing an investment progress of approximately 7.04%; approximately RMB9.71 million was used in the Lhasa Pure Land Healthy Food Project, representing an investment progress of approximately 2.06%; approximately RMB169,100 was used in the R&D of Huabao H&K's Flavours and Food Technology Project, an investment progress of approximately 0.11%. Besides, approximately RMB648.80 million was used to replenish the working capital of Huabao Flavours. As of 31 December 2018, the balance of the unused proceeds (including cumulated interest income received) was approximately RMB1,618 million.

The construction progress of the manufacturing base of Huabao Yingtan's Flavours and Ingredients fell short of expectation due to the relatively heavy rain fall in Yingtan, Jiangxi. The first phase of the project was originally scheduled to be completed in July 2018, but was actually completed in January 2019, resulting in the delay of the second phase of the project. The progress of the Lhasa Pure Land Healthy Food Project was slow as the plateau climate and short construction time in the Lhasa area. Due to the need to transform the original factory of Huabao Kongque into the R&D technology center of flavours and food, the R&D of Huabao H&K's Flavours and Food Technology Project ceased the original flavours production business and the production was handed over to Jiangxi Huabao Kongque for entrusted production. The progress of the manufacturing base of Huabao Yingtan's Flavours and Ingredients fell short of expectation, as a result of which the relevant production transition between Huabao Kongque and Jiangxi Huabao Kongque barely took place in February 2019 and the commencement of the project was postponed.

Huabao Flavours will continue to apply the proceeds to promote the implementation of investment projects and make timely adjustments according to the progress of the projects.

管理層討論及分析

二零一八年，華寶股份實現首次公開募股，共募集資金約人民幣23.77億元，並成功於深交所創業板上市。截至二零一八年十二月三十一日止十二個月，募集資金總共約人民幣73,156萬元用於本公司日期為二零一七年三月二十三日的通函所述的投資項目。其中，華寶鷹潭食品用香精及食品配料生產基地項目使用資金約人民幣7,288萬元，投資進度約7.04%；華寶拉薩淨土健康食品項目使用資金約人民幣971萬元，投資進度約2.06%；華寶孔雀食品用香精及食品技術研發項目使用資金約人民幣16.91萬元，投資進度約0.11%。此外，補充華寶股份營運資金使用約人民幣64,880萬元。截至二零一八年十二月三十一日，尚未使用的募集資金餘額（包括累計收到利息收入）約人民幣16.18億元。

華寶鷹潭食品用香精及食品配料生產基地項目由於江西鷹潭雨水較多，施工進展不及預期。一期工程原計劃2018年7月份竣工，但實際2019年1月竣工，導致二期工程延後開工。華寶拉薩淨土健康食品項目因拉薩地區高原氣候、施工時間短，導致項目進度較慢。華寶孔雀食品用香精及食品技術研發項目因轉型需要將華寶孔雀原有廠房改造成食品用香精及食品研發技術中心，已停止原有香精生產業務，未來以委託生產等方式已將產品交由江西華寶孔雀生產。華寶鷹潭食品用香精及食品配料生產基地項目進度不及預期導致華寶孔雀與江西華寶孔雀至2019年2月才初步完成相關生產過渡，導致項目延後開工。

華寶股份將繼續推進募集資金投資項目的實施，並根據項目實施情況適時進行調整。



Management Discussion and Analysis

Review of tobacco raw materials business

For the nine months ended 31 December 2018, the tobacco raw materials business recorded a sales revenue of approximately RMB715 million and an operating profit of RMB325 million, operating profit margin of the segment was approximately 45.5%. For the twelve months ended 31 December 2018, the tobacco raw materials business recorded a sales revenue of approximately RMB955 million, representing an increase of approximately 32.0% as compared with the Corresponding Period Last Year; the operating profit of the segment amounted to RMB456 million, representing an increase of 47.9% as compared with the Corresponding Period Last Year. Operating profit margin reached approximately 47.7%, representing an increase of 5.1 percentage points as compared with 42.6% of the corresponding period last year. During the Period Under Review, the increase in the operating profit was mainly due to the rapid increase in the sales of tobacco new materials.

(1) RTL

In the past few years, as the STMA proactively implemented strict supervision and management of tobacco leaf planting area and purchase volume, the RTL inventory was improved. As a result, the Group's RTL inventory decreased as compared with the Corresponding Period Last Year. In order to further reduce the RTL inventory, Guangdong Jinye proactively promoted the implementation of the "Going Out" strategy. During the Period Under Review, Guangdong Jinye signed sales agreements with 12 overseas enterprises including 10 user enterprises and two distribution enterprises, which are located in countries and regions including Cambodia, Vietnam, Indonesia and Hong Kong. The sales volume and amount of the Group's RTL in these countries and regions have increased by several times as compared with the Corresponding Period Last Year, providing momentum for the improvement of RTL business development of the Group.

In addition, in view of the success of HNB tobacco products in overseas markets including the United States and Japan, the State Tobacco Monopoly Administration has paid increasing attention to the development of HNB products. At present, seven mainland domestic tobacco companies have successively introduced and sold HNB products overseas. The demand for HNB products will indirectly step up the demand for the corresponding RTL products. As one of the leading RTL manufacturers in the industry, the Group kept a close eye on customer demand and market and regulatory changes, and deployed relevant R&D and production capabilities during the Period Under Review.

管理層討論及分析

煙用原料業務回顧

截至二零一八年十二月三十一日止九個月，本集團煙用原料業務銷售收入約人民幣7.15億元，營運盈利約人民幣3.25億元，營運盈利率達約45.5%。截至二零一八年十二月三十一日止十二個月，煙用原料業務銷售收入約人民幣9.55億元，較去年同期上升約32.0%；實現板塊營運盈利約人民幣4.56億元，較去年同期上升約47.9%；板塊營運盈利率約47.7%，較去年同期的42.6%增長約5.1個百分點。回顧期內營運盈利增長主要由於捲煙新材料銷售額高速增长。

(1) 煙草薄片

過去幾年，隨著國煙局積極對煙葉種植面積、收購量實施嚴格督查及管理，煙葉庫存狀況有所改善。受此影響，集團的薄片庫存與去年同期相比有所下降。為了進一步減少薄片庫存，廣東金葉積極推進「走出去」戰略的實施。回顧期內，廣東金葉共與12家境外企業簽訂銷售協議，其中包括用戶企業10家，經銷企業2家。這些企業分佈在柬埔寨、越南、印度尼西亞及香港等國家和地區，與去年同期相比，集團薄片在這些國家和地區的銷售量及銷售額相比錄得數倍增長，為集團扭轉薄片業務發展提供了動力。

此外，鑒於加熱不燃燒煙在美國、日本等海外市場獲得成功，國家煙草局對加熱不燃燒煙的研製也越來越重視。目前，國內已有七家煙草公司相繼推出加熱不燃燒煙草製品銷售至海外。對加熱不燃燒煙產品的需求會間接推升對相應薄片的需求。作為行業領先的薄片製造商之一，集團在回顧期內密切關注客戶需求、市場及監管的變化，部署相關研發及生產能力。



Management Discussion and Analysis

(2) Tobacco new materials

Since 2013, the sales volume of tobacco new materials represented by flavour capsule in the market has been multiplying year by year, and flavour capsule has been favoured by consumers due to its interestingness and unique taste. By virtue of the R&D strength and rich experience in the field of taste, the Group has captured approximately one-third market share of flavour capsule. Since end consumers' demand for and preference of flavour capsule products determine the development of the entire industry, the Group has further optimised market survey and conducted research and questionnaire survey on consumers' consumption of flavour capsule products to understand the tastes favoured by consumers and develop targeted products. In addition, the Group has also improved the adaptability of its products through the upgrading of technology, enhanced the quality of its products through technological advancement, and strengthened its cooperative relationship with customers, to consolidate and expand its market share in the tobacco new materials market.

At the same time, due to the strong market demand, more and more competitors entered into the flavour capsule market, which, together with the cost reduction of tobacco enterprises and fierce competition in the flavour capsule industry, posed further pressure over the sales price of flavour capsule.

管理層討論及分析

(2) 捲煙新材料

自2013年以來，以爆珠為主的捲煙新材料在市場的銷售量呈現逐年倍增的趨勢，爆珠因其趣味性及獨特的口感為消費者所喜愛。憑借在味覺領域的研發實力及豐富經驗，集團佔據約三分之一的爆珠市場份額。鑒於終端消費者對爆珠產品的需求及喜好決定了整個行業的發展，集團進一步優化市場調研工作，針對消費者抽吸爆珠煙的行為進行研究及問卷調查，確定消費者喜歡的口味，有針對性的研發產品。此外，集團還透過對工藝的升級提高產品的適應性，透過對技術的提升提高產品的質量，強化與客戶的合作關係，鞏固並擴大在捲煙新材料市場的份額。

與此同時，由於市場需求強勁，越來越多的競爭者進入到爆珠市場，加上煙草企業降低成本，爆珠行業競爭激烈，爆珠銷售價格進一步承壓。



Management Discussion and Analysis

Review of aroma raw materials business

For the nine months ended 31 December 2018, the aroma raw materials business recorded a sales revenue of approximately RMB509 million and an operating profit of RMB57.41 million, operating profit margin of the segment was approximately 11.3%. For the twelve months ended 31 December 2018, the aroma raw materials business recorded a sales revenue of approximately RMB706 million, representing an increase of 29.4% as compared with the Corresponding Period Last Year; the operating profit of the segment amounted to approximately RMB118 million, representing an increase of approximately 7.8% as compared with the Corresponding Period Last Year. Segment operating profit margin reached approximately 16.7%, representing a decrease of approximately 3.3 percentage points as compared with the Corresponding Period Last Year. During the Period Under Review, the decrease in the operating profit margin was mainly due to the increase of the low gross profit margin products in the sales proportion as compared with the Corresponding Period Last Year, which brought down the overall gross profit margin of the segment.

Looking back at 2018, the global aroma raw materials industry maintained overall stable growth, and the aroma raw materials are increasingly used in the manufacturing of food, perfume, deodorant and toiletries. With the enhancement of living standards and health awareness, the market demand for natural aroma raw materials has gradually increased. As the Chinese government promotes environmental protection, small and medium-sized aroma raw materials enterprises have stopped production or conducted rectification due to failure to meet environmental protection requirements, which, however, also provides opportunities for the technologically advanced and affluent aroma raw materials enterprises to integrate small and medium-sized enterprises.

As affected by the chemical accidents of certain aroma raw materials enterprises in the industry, the sales price of ethyl maltol of Guangdong Zhaoqing remained at a relatively high level. With extensive production experience in the field of ethyl maltol and deep insight into the domestic market, the Group flexibly adjusted product prices to maintain its market share.

Yancheng Chunzhu is one of the important sources of income of aroma raw materials business, and its ester aroma materials are in a leading position in China. In addition to continued reinforcement of its advantages in the field of natural and synthetic ester products, Yancheng Chunzhu also proactively consolidated its technology and strength in the fields of acid, aldehyde and alcohol products. During the Period Under Review, Yancheng Chunzhu launched improved products such as ethyl butyrate and 2-methylbutyric acid to meet the changing needs of the market.

管理層討論及分析

香原料業務回顧

截至二零一八年十二月三十一日止九個月，香原料業務銷售收入約人民幣5.09億元，營運盈利達人民幣5,741萬元，營運盈利率達約11.3%。截至二零一八年十二月三十一日止十二個月，香原料業務銷售收入約人民幣7.06億元，較去年同期上升約29.4%；實現板塊營運盈利約人民幣1.18億元，較去年同期上升約7.8%；板塊營運盈利率約16.7%，較去年同期下跌約3.3個百分點。回顧期內營運盈利率率下降主要由於毛利率較低的產品營業額佔比較去年同期上升，以致板塊綜合毛利率下跌。

回顧二零一八年，全球香原料行業整體處於穩步增長的狀態，香原料越來越廣泛的應用於食品、香水、除味劑及洗滌用品的製造。隨著人們生活水平及健康意識的提高，市場對天然香原料的需求逐步增長。由於中國政府推進環保，中小型的香原料企業因未能達到環保要求而停產或整改，但這也為技術先進、資金實力雄厚的香原料企業提供了整合中小型企業的機遇。

受到部分同業香原料企業化工事故影響，廣東肇慶的乙基麥芽酚銷售價格整體維持在較高水平。憑借在乙基麥芽酚領域的豐富生產經驗及對國內市場的深刻洞察，集團靈活調整產品價格，維持市場份額。

鹽城春竹是香原料業務收入的重要來源之一，其酯類香料產品於國內處於領先地位。除了繼續強化其在天然和合成酯類產品領域的優勢外，鹽城春竹還積極鞏固其在酸類、醛類及醇類產品領域技術和實力。回顧期內，鹽城春竹推出諸如丁酸乙酯、2-甲基丁酸等改進型產品，滿足市場不斷變化的需求。



Management Discussion and Analysis

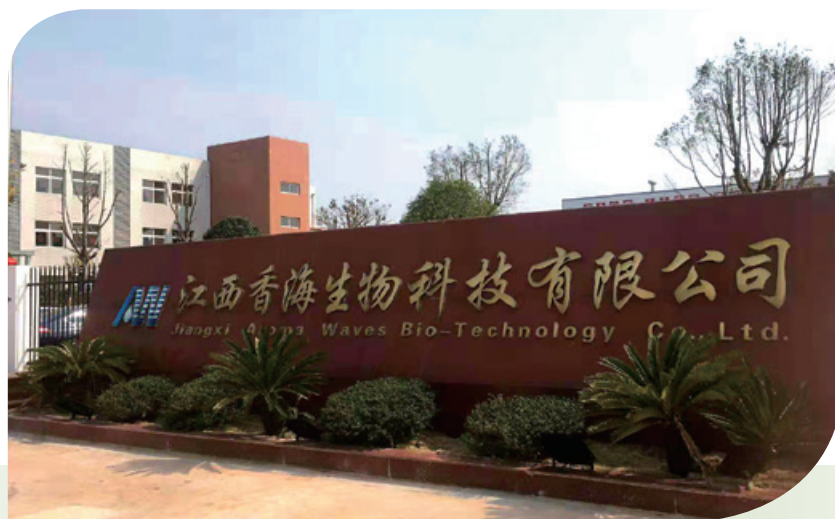
Yongzhou Shanxiang is a leading enterprise in the production and manufacturing of litsea cubeba oil and citral. In August 2018, Yongzhou Shanxiang signed a strategic cooperation agreement with Givaudan to strengthen the alliance and further introduce the products of Yongzhou Shanxiang into the international market. In addition, as litsea cubeba oil and citral products are subject to seasonal influence, the Group continued to promote the R&D and production of other natural products including benzaldehyde and cinnamon oil during the Period Under Review, to alleviate market demand fluctuations and the influence of single product on the business.

Jiangxi Xianghai, which was acquired by the Group in September 2017, has completed the construction of the phase I base and has already completed trial production of a small amount of furanone products. Due to the complexity and innovativeness of technology, Jiangxi Xianghai needs more time to optimise the production technology and process to further reduce production costs and enhance the competitiveness of products' sales prices. The Group expects that Jiangxi Xianghai is able to achieve full production by June this year. Phase II of Jiangxi Xianghai is under planning and the main products are those that can be used in the pharmaceutical industry including sulfurol and caproic acid.

管理層討論及分析

永州山香是山蒼子油和檸檬醛的龍頭企業，永州山香於二零一八年八月與奇華頓簽署戰略合作協議，強強聯合，將永州山香的產品進一步拓展至國際市場。此外，由於山蒼子油和檸檬醛產品會受季節性影響，集團繼續在回顧期內推動天然苯甲醛、桂皮油等其它天然產品的研發和生產，減輕市場需求波動及產品單一對業務的影響。

集團於二零一七年九月完成了對江西香海的收購。江西香海目前已經完成了一期基地的建設，並已經試生產了少量呋喃酮產品。由於工藝的複雜性及創新性，江西香海需要更多時間優化生產工藝及流程，以進一步降低生產成本，提升產品銷售價格的競爭力。集團預計江西香海能夠在今年六月前全面量產。江西香海二期處於規劃之中，主要產品為硫塞唑、己酸等能夠應用於醫藥行業的產品。



Jiangxi Xianghai, the aroma raw materials manufacturing base of the Group, is expected to begin mass production before June 2019.
集團位於江西新余的香原料生產基地江西香海，該基地將於2019年6月前量產。



Management Discussion and Analysis

Review of the condiment business

During the period from 4 September 2018, the date on which the Group completed the acquisition of Jiahao Foodstuff, to 31 December 2018, the condiment business recorded a sales revenue of RMB171 million and operating profit of approximately RMB23.45 million, respectively. Operating profit margin amounted to approximately 13.7%. The core products of Jiahao Foodstuff include chicken bouillon, wasabi paste, concentrated fruit juice and soy sauce. During the Period Under Review, Jiahao Foodstuff's products remained stable development.

On 27 November 2018, Guangdong Jiahao and Weizhijia entered into an entrusted management agreement. Weizhijia specialises in the marketing and promotion of fast-moving consumer goods in China and is mainly engaged in the sales and promotion of B2B condiments. Its management team has profound experience and interpersonal network in the catering industry in the PRC. Weizhijia will provide professional service knowledge to Guangdong Jiahao, to enhance its brand awareness in the market and assist Guangdong Jiahao to expand its market share and gradually reach sales targets.

管理層討論及分析

調味品業務回顧

自二零一八年九月四日完成收購嘉豪食品至二零一八年十二月三十一日，調味品業務銷售收入約人民幣1.71億元，營運盈利達約人民幣2,345萬元，營運盈利率達約13.7%。嘉豪食品的核心產品包括雞汁、芥辣、濃縮果汁和調味汁。回顧期內，嘉豪食品的各项產品維持穩定發展。

二零一八年十一月二十七日，廣東嘉豪與味之家達成授權管理協議。味之家是一家專注於中國快速消費品的營銷推廣公司，主要從事B2B調味品的銷售及推廣，其管理團隊在中國餐飲行業擁有豐厚經驗及人脈。味之家將向廣東嘉豪提供專業服務知識，提升其在市場的品牌知名度，協助廣東嘉豪擴大市場佔有率，逐步達成銷售目標。



The production line of Jiahao's core products chicken bouillon.
嘉豪核心產品雞汁生產線。

Management Discussion and Analysis

Review of R&D

For the nine months ended 31 December 2018, the Group's R&D expenses were to approximately RMB198 million. R&D expense accounted for approximately 6.5% of the Group's sales revenue, such ratio decreased by approximately 1.1 percentage points as compared to the 7.6% for the Financial Year 2017/18.

In terms of tobacco flavours, the Group carried out 32 scientific research projects, applied for 13 patents, and published 11 articles in domestic authoritative journals in 2018. The research scope covered all aspects from raw material extraction methods in the earlier stage to product quality monitoring in the later stage throughout the production process. The research contents included the development and research of important aroma raw materials for tobacco, the technology for supercritical extraction of core raw materials for tobacco flavours and molecular distillation separation technology, the preparation technology of self-emulsifying water-soluble flavour and fragrance products and application research thereon, and the research on quality tracking and control of commercial cigarettes. Meanwhile, Yingtan Huabao Flavors & Fragrances Co., Ltd. and Yunnan Tianhong, both being wholly-owned subsidiaries of Huabao Flavours, obtained high-tech enterprise qualification in 2018.

In terms of food flavours, Guangzhou Huabao Food Co., Ltd. has made breakthroughs in the R&D of capsicum oleoresin, and obtained the authorised invention patents for "a preparation method of water-soluble capsicum oleoresin" and "a preparation method of water-soluble capsicum oleoresin of high pungency degree" in 2018. While ensuring products production and delivery, Shanghai Huabao Kongque has continuously improved its production equipment and made breakthroughs in terms of spray drying, raw material emulsification and agitation, and was granted four innovative utility patents in 2018.

In terms of fragrances, Xiamen Amber has improved and innovated its production equipment while focusing on product R&D. In 2018, Xiamen Amber applied for one invention patent and 10 innovative utility patents and was granted a number of innovative utility patents for new R&D equipment including flavours and fragrances blending and agitation system, fragrance assessment case and flavoring platform. Xiamen Amber also obtained the high-tech enterprise qualification in 2018.

管理層討論及分析

研發情況回顧

截至二零一八年十二月三十一日止九個月，本集團投入研發費用約人民幣1.98億元。研發費用佔據銷售收入的比例約為6.5%，較2017/18財政年度的7.6%下降約1.1個百分點。

煙用香精方面，集團二零一八年累計開展科研項目32項，申報專利13項，於國內權威期刊發表文章11篇，研究範圍覆蓋生產工藝中前期原料提取方法到後期產品質量監控等各個環節，內容包括煙草重要香原料精製開發研究、煙用香精核心原料超臨界萃取工藝及分子蒸餾分離技術的研究、自乳化水溶性香精香料產品的制備工藝及其應用研究、市售捲煙質量跟蹤及控制研究等多個方面。同時，華寶股份全資子公司鷹潭華寶香精有限公司和雲南天宏於二零一八年分別取得了高新技術企業資格。

食品用香精方面，廣州華寶食品有限公司在辣椒油樹脂的研發上取得突破，二零一八年分別獲得《一種水溶辣椒油樹脂的制備方法》和《一種高辣度水溶辣椒油樹脂的制備方法》的發明專利授權，上海華寶孔雀在確保產品生產交付的同時，不斷改良生產設備，在噴霧乾燥、原料乳化、攪拌等方面取得突破，於二零一八年獲批實用新型專利四項。

日用香精方面，廈門琥珀在專注產品研發的同時，對生產裝備進行了改良和創新。二零一八年共計申請了1項發明專利和10項實用新型專利，關於香精香料配料攪拌系統、評香箱、調香台等新型研發裝備的多項實用新型專利已獲得授權。廈門琥珀亦於二零一八年取得了高新技術企業資格。



Management Discussion and Analysis

In terms of RTL, the “special paper-making RTL” and “flavour auxiliaries” of Guangdong Jinye were identified as high-tech products. The identification of high-tech products is the recognition of Guangdong Jinye’s R&D strength in product and technical capacity. The Research on Innovative Pre-treatment Technology of Paper-making Reconstituted Tobacco Leaves and Tobacco Raw Materials and Development of Supporting Equipment (《造紙法再造煙葉煙草原料預處理創新工藝研究與配套裝備開發》), a major science and technology project of STMA led by Guangdong Jinye, successfully passed the project conclusion acceptance. According to the acceptance opinions, through this project, the Group has broadened the scope of use of the RTL raw materials, improved the quality of RTL and tobacco raw materials and product quality control, and effectively promoted the technological progress and development of the RTL industry.

In terms of tobacco new materials, the Group conducted market-oriented R&D and was authorised a total of eight patents, including one patent for invention applied for by the Group independently, i.e. “a slow-release core line for alcohol-flavoured cigarettes and its preparation and application”, one patent for invention which was transferred to the Group from another patentee and six innovative utility patents which were applied for by the Group independently.

In terms of aroma raw materials, Guangdong Zhaoqing was authorised a patent for invention, i.e. “a synthesis process of ethyl maltol” in May 2018 and publicised as a proposed national high-tech enterprise in November. Yancheng Chunzhu was authorised a patent for “a method for preparing phenylacetaldehyde”.

In terms of condiments, Jiahao was authorised the patent for invention of “a method of using the taste system and electronic nose to jointly evaluate the flavour level of wasabi paste”. During the Period Under Review, Jiahao and Jiangnan University jointly filed seven patents for invention, which further strengthened their R&D capabilities in respect of core products including chicken bouillon and wasabi paste.

Human Resources and Corporate Culture Construction

As at 31 December 2018, the Group employed 3,473 employees in the PRC, Hong Kong, Germany, Botswana and Korea. For the nine months ended 31 December 2018, the labour costs (including pension and mandatory provident fund, etc.) amounted to approximately RMB374 million.

管理層討論及分析

煙草薄片方面，廣東金葉的「造紙法特種薄片」和「香精助劑」被認定為高新技術產品。高新技術產品的認定是對廣東金葉產品研發實力及技術含金量的認可。由廣東金葉牽頭承擔的國煙局重大科技專項——《造紙法再造煙葉煙草原料預處理創新工藝研究與配套裝備開發》順利通過項目結題驗收。根據驗收意見，通過本項目，本集團拓寬了再造煙葉原料的使用範圍，提升了再造煙葉煙草原料質量以及產品質量控制水平，有效推動了再造煙葉行業的技術進步與發展。

捲煙新材料方面，本集團以市場為導向進行研發，共獲得8篇專利授權，包括自主申請發明專利《一種緩釋型酒香捲煙芯線及其制備和應用》，由外部轉入發明專利1篇以及其它自主申請實用新型專利6篇。

香原料方面，二零一八年五月，廣東肇慶獲得了《一種乙基麥芽酚的合成工藝》發明專利的授權，十一月通過擬認定國家高新技術企業的公示；鹽城春竹獲得授權專利《一種苯乙醛的製備方法》。

調味品方面，嘉豪獲得《利用味覺系統與電子鼻聯合評價芥辣醬風味等級的方法》發明專利授權。回顧期內，嘉豪與江南大學聯合申報7項發明專利，進一步強化自身在雞汁、芥辣等核心產品方面的研發能力。

人力資源及企業文化建設

於二零一八年十二月三十一日，本集團在中國內地、香港、德國、博茨瓦納及韓國共聘用員工3,473人。截至2018年12月31日止9個月，共發生員工成本（包括退休保險及強積金等）約人民幣3.74億元。



Management Discussion and Analysis

In 2018, the strategic acquisition of Jiahao Foodstuff further diversified the Group's business. The human resources department proactively conveyed the Group's vision, spirit and values to the employees of Jiahao Foodstuff, enabling them to better understand the culture of Huabao and quickly integrate into Huabao. With the joint support of the Group and the management of Jiahao Foodstuff, Jiahao Foodstuff's colleagues are vigorously implementing the business strategy for the new year, exerting efforts to achieve the set performance goals and contributing their strength to Huabao.

During the period under review, the Group strengthened its talent recruitment team to enhance the ability and efficiency in respect of introduction of talents. The Group proactively organised campus recruitment fairs to introduce young elites at home and abroad to maintain the vitality of the Group's human resources. For employees with outstanding performance, development potential and leadership, the Group provides them with the opportunity to exert their potential and their strengths and encourage them to work harder and more efficiently. Based on the characteristics of each business segment, the Group implements the incentive principle of "results-oriented and performance-based incentives" to enhance the fairness and effectiveness of the incentive mechanism. In addition, the Group attaches great importance to the physical and psychological health of its employees, and has built activity centers and badminton courts for its employees to keep their employees healthy and energetic and to cope with every day's work with plenty of energy.

While nurturing employees and developing businesses, the Group keeps it in mind to give back to the society. During the period under review, the Group carried out poverty alleviation activities for primary school students in poverty-stricken areas in Tibet, and continued to pay attention to and follow up the development of these pupils. The government in Tibet has highly praised the charity of the Group in fulfilling its social responsibilities.

管理層討論及分析

二零一八年，本集團戰略收購嘉豪食品，使集團業務進一步多元化。人力資源部積極向嘉豪食品僱員傳遞本集團的願景、精神及價值觀，使他們能夠更好的了解華寶的文化，快速的融入華寶這個大家庭。在本集團及嘉豪食品管理層的共同支持下，嘉豪食品的同事正緊鑼密鼓的執行新一年的業務策略，向業績目標邁進，為華寶貢獻自己的力量。

回顧期內，集團強化人才招聘團隊，提升引進人才的能力及效率。集團積極舉辦校園招聘會引進國內外年輕的菁英，保持集團人力資源的活力。對於業績突出、具備發展潛力及領導力的僱員，集團為他們提供發揮潛能、施展拳腳的機會，激勵他們更加努力高效的工作。集團根據各業務板塊的特點，實施「以結果為導向、以業績論英雄」的激勵原則，提升激勵機制公平性和效果。此外，集團重視員工的身心健康，為員工修建了活動中心及羽毛球場，讓員工強生健體，以充沛的精力迎接每一天的工作。

在培育員工及發展業務的同時，集團也不忘回饋社會。回顧期內，集團對西藏貧困地區的小學生進行了扶貧捐贈活動，並持續關注及跟進這些小學生的發展。西藏政府對集團履行社會責任的善舉予以了高度讚許。



The Group donated daily supplies to pupils in poverty - stricken areas to give back to the society
集團向貧困地區學生捐贈生活用品，回饋社會。

Management Discussion and Analysis

Outlook

In 2019, the uncertainties with the global and Chinese economies will further increase along with further downward pressure on the economy. Under the extremely challenging external environment, the Group will continue to consolidate its presence in the taste-based field and consistently implements the “concentric diversification strategy” to improve the integration of upstream and downstream industry chain, enabling healthy, sustainable and stable development of each segment. In terms of flavours and fragrances, the Group will continue to maintain a stable cooperative relationship with existing customers and provide customers with innovative and forward-looking solutions; In terms of tobacco new materials, the Group will closely monitor the changes in market prices, flexibly adjust product prices and mix, and continue to promote the implementation of the “Going Out” strategy; in terms of aroma raw materials, the Group will speed up the construction of Jiangxi Xianghai production base and the enhancement of production technique, and launch new products; in terms of condiments, the Group will exert efforts in three aspects, i.e. enhancement in the product mix, sales channel and human resources, striving to realise the sales targets.

With clear development goals and strategies, the Group is confident in consolidating its position in the taste-based field and creating more value for shareholders.

管理層討論及分析

未來展望

進入二零一九年，國際及中國經濟面臨的不確定性進一步增多，經濟下行壓力加大。在極富挑戰性的外部環境下，集團仍會扎根味覺系領域，執行一以貫之的「同心多元化戰略」，完善上下游產業鏈的整合，讓各個板塊健康、持續、穩定的發展。香精方面，集團將繼續維持與既有客戶穩定的合作關係，為客戶提供創新型及前瞻性的整套解決方案；煙用原料方面，集團會密切關注市場價格的變化，靈活調整產品價格及結構，繼續推進「走出去」戰略的實施；香原料方面，集團會加快江西香海生產基地的建設，加快完成生產工藝的調試，推出新產品；調味品方面，集團會從產品結構、銷售渠道、人力資源優化三方面入手，向銷售目標進發。

憑借清晰的發展目標和策略，集團有信心鞏固在味覺系領域的地位，為股東創造更多價值。



Management Discussion and Analysis

FINANCIAL REVIEW

Analysis of results for the nine months period ended 31 December 2018

Sales revenue

For the nine months ended 31 December 2018, the Group's sales revenue from continuing operations amounted to RMB3,058,707,000, of which sales revenue from flavours and fragrances reached RMB1,664,395,000, accounting for approximately 54.4% of total sales revenue; sales revenue from tobacco raw materials reached RMB714,662,000, accounting for approximately 23.4% of total sales revenue; sales revenue from aroma raw materials reached RMB508,659,000, accounting for approximately 16.6% of total sales revenue; sales revenue from condiment acquired in the Current Reporting Period reached RMB170,979,000, accounting for approximately 5.6% of total sales revenue.

For the twelve months ended 31 December 2018, the Group's sales revenue from continuing operations amounted to RMB3,981,536,000, representing an increase of approximately 15.3% as compared with RMB3,453,461,000 for the twelve months ended 31 December 2017. The increase in the sales revenue is mainly attributable to the increase of sales revenue of tobacco new material under tobacco raw materials segment and aroma raw material as compared to the Corresponding Period Last Year, and the consolidation of sales revenue of Jiahao Foodstuff acquired in the Current Reporting Period.

Cost of goods sold

For the nine months ended 31 December 2018, the Group's cost of goods sold for continuing operations amounted to RMB1,108,902,000. For the year ended 31 March 2018, the group's cost of goods sold from continuing operations amounted to RMB1,164,189,000 (restated).

Gross profit and gross profit margin

For the nine months ended 31 December 2018, the Group's gross profit from continuing operations amounted to RMB1,949,805,000 with gross profit margin of 63.7%.

For the twelve months ended 31 December 2018, the gross profit of the Group from continuing operations amounted to RMB2,590,939,000, representing an increase of approximately 13.0% as compared with RMB2,293,185,000 for the Corresponding Period Last Year. Gross profit margin for the twelve months ended 31 December 2018 was 65.1%, representing a slight decrease of approximately 1.3 percentage points from 66.4% of the Corresponding Period Last Year. The decrease in gross profit margin was mainly because sales revenue of products with relatively lower gross profit margin accounted for a higher proportion than that in the Corresponding Period Last Year.

管理層討論及分析

財務狀況回顧

截至二零一八年十二月三十一日止九個月期間的業績分析

營業額

截至二零一八年十二月三十一日止九個月，本集團來自持續經營業務的營業額達人民幣3,058,707,000元，其中香精產品的營業額達人民幣1,664,395,000元，佔總收入約54.4%；煙用原料的營業額達人民幣714,662,000元，佔總收入約23.4%；香原料的營業額達人民幣508,659,000元，佔總收入約16.6%；本報告期收購的調味品的營業額達人民幣170,979,000元，佔總收入約5.6%。

截至二零一八年十二月三十一日止十二個月，本集團來自持續經營業務的營業額達人民幣3,981,536,000元，較截至二零一七年十二月三十一日止十二個月的人民幣3,453,461,000元增加了約15.3%。營業額的增加，主要是由於煙用原料事業部之捲煙新材料及香原料的營業額較去年同期上升，加上本報告期內收購嘉豪食品並將其銷售收入併進本集團所致。

銷售成本

截至二零一八年十二月三十一日止九個月，本集團來自持續經營業務的銷售成本為人民幣1,108,902,000元。截至二零一八年三月三十一日止年度，本集團來自持續經營業務的銷售成本為人民幣1,164,189,000元（經重列）。

毛利和毛利率

截至二零一八年十二月三十一日止九個月，本集團來自持續經營業務的毛利為人民幣1,949,805,000元，毛利率為63.7%。

截至二零一八年十二月三十一日止十二個月，本集團來自持續經營業務的毛利為人民幣2,590,939,000元，較去年同期的人民幣2,293,185,000元增加了約13.0%。截至二零一八年十二月三十一日止十二個月之毛利率為65.1%，較去年同期的66.4%稍為下降了1.3個百分點。毛利率的下降主要是由於毛利率較低之產品營業額佔比較去年同期有所上升，以致綜合毛利率有所下降。



Management Discussion and Analysis

Other income and other gains – net

For the nine months ended 31 December 2018, other income and other gains (net) of the Group from continuing operations was RMB122,323,000 (year ended 31 March 2018: RMB195,388,000 (restated)).

Selling and marketing expenses

The selling and marketing expenses of the Group mainly comprised of travelling expenses, transportation costs, advertising and promotion expenses, salaries and office expenses. For the nine months ended 31 December 2018, the selling and marketing expenses from continuing operations of the Group were RMB208,417,000 (year end 31 March 2018: RMB186,623,000 (restated)), with the ratio of selling and marketing expenses to total sales revenue amounted to approximately 6.8%, representing an increase of 1.7 percentage points as compared with 5.1% (restated) for the year ended 31 March 2018. The increase of such ratio was mainly attributable to the selling and marketing expenses to sales ratio of condiment business acquired during the Current Reporting Period was higher than that for the other businesses of the Group.

Administrative expenses

For the nine months ended 31 December 2018, the Group's administrative expenses from continuing operations amounted to RMB574,345,000 (year ended 31 March 2018: RMB721,259,000 (restated)), with the ratio of administrative expenses to total sales revenue amounted to approximately 18.8%, representing a slight decrease of 1.1 percentage points as compared with 19.9% (restated) for the year ended 31 March 2018. The decrease of such ratio was mainly because the provision for impairment of goodwill for fragrance business and impairment of other receivables were made for the year ended 31 March 2018 which caused higher administrative expenses, it was partly offset by the amortization expenses of intangible assets and the professional fees related to the acquisition of condiment business during the Current Reporting Period.

Operating profit

Operating profit from continuing operations of the Group for the nine months ended 31 December 2018 was RMB1,287,750,000 (year ended 31 March 2018: RMB1,732,144,000 (restated)).

Operating profit from continuing operations of the Group for the twelve months ended 31 December 2018 was RMB1,744,950,000, representing an increase of approximately 11.0% as compared with RMB1,572,041,000 for the Corresponding Period Last Year, mainly due to the business growth of tobacco new materials under the tobacco raw materials business.

管理層討論及分析

其他收入及其他收益－淨額

截至二零一八年十二月三十一日止九個月，本集團來自持續經營業務的其他收入及其他收益－淨額為人民幣122,323,000元（二零一八年三月三十一日止年度：人民幣195,388,000元（經重列））。

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、薪金及辦公費用等。截至二零一八年十二月三十一日止九個月，本集團來自持續經營業務的銷售及市場推廣開支為人民幣208,417,000元（二零一八年三月三十一日止年度：人民幣186,623,000元（經重列）），而銷售及市場推廣開支所佔銷售收入的比例為約6.8%，較截至二零一八年三月三十一日止年度的5.1%（經重列）上升了1.7個百分點。該比例的上升主要是由於本報告期新收購的調味品業務之銷售費用佔銷售收入的比例較集團其他業務高。

行政開支

截至二零一八年十二月三十一日止九個月，本集團來自持續經營業務的行政開支為人民幣574,345,000元（二零一八年三月三十一日止年度：人民幣721,259,000元（經重列）），而行政開支所佔銷售收入的比例為約18.8%，較截至二零一八年三月三十一日止年度的19.9%（經重列）稍為下降了1.1個百分點。該比例的下降主要是由於集團於上一個財政年度計提日用香精業務商譽減值及其他應收款的減值撥備以致行政開支較高，但被於本報告期間因收購調味品業務產生之無形資產攤銷及與收購有關的中介費用而部份抵銷了。

營運盈利

本集團來自持續經營業務的營運盈利在截至二零一八年十二月三十一日止九個月為人民幣1,287,750,000元（二零一八年三月三十一日止年度：人民幣1,732,144,000元（經重列））。

截至二零一八年十二月三十一日止十二個月，本集團來自持續經營業務的營運盈利為人民幣1,744,950,000元，較去年同期的人民幣1,572,041,000元增加了11.0%，主要是由於煙用原料事業部之捲煙新材料業務有所增長所致。



Management Discussion and Analysis

Income tax expenses

Income tax expenses from continuing operations of the Group for the nine months ended 31 December 2018 was RMB320,805,000 (year ended 31 March 2018: RMB349,687,000 (restated)). Income tax rate for the Current Reporting Period was approximately 23.3%, which was increased by approximately 4.5 percentage points as compared with 18.8% (restated) for the year ended 31 March 2018. It was mainly due to the increase in withholding income tax for the Current Reporting Period.

Profit attributable to the equity holders of the Company

Profit attributable to the equity holders of the Company from continuing and discontinued operations was RMB1,017,959,000 for the nine months ended 31 December 2018, and it was RMB1,263,797,000 for the year ended 31 March 2018.

Net current asset value and financial resources

As at 31 December 2018, the net current asset value of the Group was RMB7,734,866,000 (31 March 2018: RMB8,961,234,000). The Group generates its working capital mainly through its operating activities to maintain a sound financial position. As at 31 December 2018, the Group's cash and bank balances amounted to RMB7,142,391,000 (31 March 2018: RMB7,712,606,000), over 90% of which was held in RMB. In addition, the Group hold wealth management products of RMB515,177,000 (31 March 2018: RMB102,000,000) which was classified as financial assets at fair value through profit or loss during the Current Reporting Period.

Bank borrowings and debt ratio

As at 31 December 2018, the Group had bank borrowings of RMB3,690,139,000 (31 March 2018: RMB210,000,000), of which secured loan amounted to RMB2,888,092,000 (31 March 2018: nil) was due within five years, and the unsecured loans amounted to RMB802,047,000 (31 March 2018: RMB210,000,000) were due within one to two years. For the nine months ended 31 December 2018, the average annual interest rate of the secured loan was 5.70%, and the average annual interest rate of the unsecured loans was 3.72% (31 March 2018: 4.25%). As at 31 December 2018, the Group's gearing ratio (total borrowings, include current and non-current borrowings, divided by total equity (excludes non-controlling interests)) was 31.4%, which was increased from 1.9% as of 31 March 2018. It was mainly attributable to the new secured loan of approximately RMB2.888 billion used to finance the acquisition of Jiahao Foodstuff during the Current Reporting Period.

管理層討論及分析

稅務開支

本集團來自持續經營業務的稅務開支在截至二零一八年十二月三十一日止九個月為人民幣320,805,000元(二零一八年三月三十一日止年度:人民幣349,687,000元(經重列))。本期間所得稅稅率約為23.3%，較截至二零一八年三月三十一日止年度的約18.8%(經重列)上升了4.5個百分點，主要是由於本報告期預提所得稅有所增加所致。

本公司權益持有人應佔盈利

本公司權益持有人應佔持續經營和終止經營業務之盈利在截至二零一八年十二月三十一日止九個月為人民幣1,017,959,000元，而在截至二零一八年三月三十一日止年度為人民幣1,263,797,000元。

流動資產淨值和財務資源

於二零一八年十二月三十一日，本集團的流動資產淨值人民幣7,734,866,000元(二零一八年三月三十一日:人民幣8,961,234,000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。於二零一八年十二月三十一日，本集團的銀行及庫存現金為人民幣7,142,391,000元(二零一八年三月三十一日:人民幣7,712,606,000元)，其中超過90%是以人民幣持有。此外，本集團持有之銀行財富管理產品之公允值為人民幣515,177,000元(二零一八年三月三十一日:人民幣102,000,000元)，此項於本報告期已被分類為以公允價值計量且其變動計入損益之金融資產列示。

銀行貸款及負債比率

於二零一八年十二月三十一日，本集團的銀行借貸總額為人民幣3,690,139,000元(二零一八年三月三十一日:人民幣210,000,000元)，當中有抵押貸款為人民幣2,888,092,000元(二零一八年三月三十一日:無)，並於五年內到期償還；而無抵押貸款為人民幣802,047,000元(二零一八年三月三十一日:人民幣210,000,000元)，並於一至兩年內到期償還。截至二零一八年十二月三十一日止九個月，有抵押貸款之平均年息率為5.70厘；而無抵押貸款的平均年息率為3.72厘(二零一八年三月三十一日:4.25厘)。於二零一八年十二月三十一日，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31.4%，較二零一八年三月三十一日的1.9%有所上升，主要由於本報告期新增用於收購嘉豪食品的有抵押併購貸款約人民幣28.88億元。



Management Discussion and Analysis

Investing activities

The Group's investing activities included the purchase of property, plant and equipment, financial assets investment and merger and acquisition activities related to the strategic development strategies. For the nine months ended 31 December 2018, the net cash used in investing activities amounted to RMB5,375,678,000, mainly used for the acquisition of subsidiaries. For the year ended 31 March 2018, the net cash used in investing activities amounted to RMB376,763,000.

Financing activities

For the nine months ended 31 December 2018, the net cash generated from financing activities amounted to RMB2,940,612,000, mainly comprised of addition of bank loans of RMB3,580,389,000, while the Company paid cash dividends of RMB405,353,000 to shareholders during the Current Reporting Period. For the year ended 31 March 2018, the net cash generated from financing activities amounted to RMB1,412,105,000.

Trade receivables turnover period

Trade receivable turnover period is calculated on the basis of the average amount of trade receivables as at the beginning and end of a relevant period divided by the total sales revenue for the corresponding period and multiplied by 270 days (year ended 31 March 2018: 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 nine months ended 31 December 2018, the Group's average trade receivables turnover period was 98 days, decreased by 6 days as compared with 104 days (adjusted by excluding figures of discontinued operation) for the year ended 31 March 2018. It was mainly attributable to the very low balance of trade receivables of condiment business acquired during the Current Reporting Period which cause the Group's average figures decreased.

Trade payables turnover period

Trade payable turnover period is calculated on the basis of the average amount of trade payables as at the beginning and at the end of a relevant period divided by the cost of goods sold for the corresponding period and multiplied by 270 days (year ended 31 March 2018: 360 days). Credit periods granted by suppliers to the Group ranged from 0-180 days. For the nine months ended 31 December 2018, the Group's average trade payables turnover period was 78 days, representing a decrease of 11 days as compared with 89 days (adjusted by excluding figures of discontinued operation) for the year ended 31 March 2018. It was mainly attributable to the shorter trade payables turnover period of condiment business acquired during the Current Reporting Period which caused the Group's average figures decreased.

管理層討論及分析

投資活動

本集團的投資活動主要包括購買物業、機器及設備；金融資產投資和與戰略性發展策略有關的收購兼併活動。截至二零一八年十二月三十一日止九個月，投資活動所用的現金淨額為人民幣5,375,678,000元，主要用於收購附屬公司。而截至二零一八年三月三十一日止年度，投資活動所用的現金淨額為人民幣376,763,000元。

融資活動

截至二零一八年十二月三十一日止九個月，本集團融資活動所產生的現金淨額為人民幣2,940,612,000元，主要包括新增銀行貸款人民幣3,580,389,000元；及本公司於本報告期間向股東已支付約人民幣405,353,000元之現金股息。而截至二零一八年三月三十一日止年度，融資活動所產生的現金淨額為人民幣1,412,105,000元。

應收賬週轉期

應收賬週轉期乃通過將有關期間之期初及期末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270天（二零一八年三月三十一日：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。截至二零一八年十二月三十一日止九個月，本集團的平均應收賬週轉期為98日，較截至二零一八年三月三十一日止財政年度的104日（經調整終止經營業務後之數據）下降了6日，主要由於本報告期新收購的調味品業務幾乎沒有應收賬款，令到集團綜合數字有所下降。

應付賬週轉期

應付賬週轉期乃通過將有關期間期初及期末的應付貿易賬款平均金額除以相應期間的銷售成本再乘以270天（二零一八年三月三十一日：360天）計算。供貨商給予本集團的信貸期介乎零日至180日。截至二零一八年十二月三十一日止九個月，本集團的平均應付賬週轉期為78日，較截至二零一八年三月三十一日止財政年度的89日（經調整終止經營業務後之數據）下降了11天，主要因為本報告期新收購的調味品業務之應付賬款週轉期較短而令到集團的綜合數字有所下降。



Management Discussion and Analysis

Inventory and inventory turnover period

As at 31 December 2018, the Group's inventory balance amounted to RMB896,243,000 (31 March 2018: RMB766,005,000). For the nine months ended 31 December 2018, the inventory turnover period (calculated on the basis of the average amount of inventory balances as at the beginning and end of a relevant period divided by the total cost of goods sold for the corresponding period and multiplied by 270 days (year ended 31 March 2018: 360 days)) was 199 days, decreased by 17 days as compared with 216 days (adjusted by excluding figures of discontinued operation) for the year ended 31 March 2018. It was mainly attributable to the effective implementation of the Group's destocking policy and the effect of condiment business acquired during the Current Reporting Period.

Foreign exchange and exchange rate risk

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

Pledge of assets

As at 31 December 2018, the Group's equity interest in Jiahao Foodstuff Limited and Guangdong Jiahao Foodstuff Co., Ltd, and its land and buildings in Zhongshan China were used as collateral for a bank loan of approximately RMB2.888 billion.

Capital Commitments

As at 31 December 2018, the Group had capital commitments in respect of the purchases of property, plant, equipment, financial assets at fair value through other comprehensive income and investment in an associate, contracted for but not provided in the financial statements amounting to approximately RMB363,516,000 (31 March 2018: RMB259,877,000), which was mainly investment in domestic and overseas funds amounted to approximately RMB127,016,000.

Contingent liabilities

Based on the information available to the Board, the Group had no material contingent liabilities as at 31 December 2018.

管理層討論及分析

存貨和存貨週轉期

本集團的存貨結餘於二零一八年十二月三十一日為人民幣896,243,000元(二零一八年三月三十一日:人民幣766,005,000元)。在截至二零一八年十二月三十一日止九個月,存貨週轉期(將有關期間期初及期末的存貨平均結餘除以相應期間的銷售成本總額再乘以270天(二零一八年三月三十一日:360天)計算)為199日,較截至二零一八年三月三十一日止財政年度的216日(經調整終止經營業務後之數據)下降了17天。存貨週轉期的下降主要是集團實施去庫存政策見成效,以及本報告期新收購的調味品業務之影響。

外匯及匯率風險

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

資產抵押

於二零一八年十二月三十一日,本集團以嘉豪食品有限公司及廣東嘉豪食品有限公司之股權及其位於中國中山的土地及樓宇作為約人民幣28.88億元銀行貸款之抵押。

資本承擔

於二零一八年十二月三十一日,本集團就已訂約購買的物業、廠房、設備及以公允價值計量且其變動計入其他全面收益之金融資產及於聯營公司之投資但並未於財務報表撥備的資本承擔約人民幣363,516,000元(二零一八年三月三十一日:人民幣259,877,000元),主要是國內及海外基金的投資約人民幣127,016,000元。

或然負債

根據可供董事會查閱的資料,本集團於二零一八年十二月三十一日並無任何重大的或然負債。



Biographical Details of Directors and Senior Management 董事及高級管理層履歷

EXECUTIVE DIRECTORS 執行董事



Ms. CHU Lam Yiu, aged 49, the Chairlady of the Board, CEO, Executive Director and the Chairlady 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 (Executive Director of the Company). Ms. Chu is also a director of the Company's principal subsidiaries marked with "C1" as set out in Note 36 to the consolidated financial statements. Ms. Chu has extensive experience in formulating strategies and making executive decisions on business operation, investments and market development. She was a member of the Fourth and 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 74 headed under Directors' Interests in Shares, Underlying Shares and Debentures.

朱林瑤女士，49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（本公司執行董事）之母。朱女士亦是載於綜合財務報表附註36內有「C1」符號之本公司主要附屬公司的董事。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四及第五屆委員會委員。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74頁標題為董事於股份，相關股份及債券之權益。



Mr. XIA Liquan, aged 52, an Executive Director, Vice Chairman 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 36 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 Food Additives and Ingredients Association in Shanghai City.

夏利群先生，52歲，本公司執行董事、副主席及薪酬委員會委員，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36內分別有「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 董事及高級管理層履歷



Mr. POON Chiu Kwok, aged 56, 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. He holds a Bachelor's degree in laws, a Bachelor's degree in business studies and a Master's degree in international accounting. He is a fellow of CPA Australia, The Institute of Chartered Secretaries and Administrators, and The Hong Kong Institute of Chartered Secretaries and a member of its Technical Consultation Panel, China Focus Group and Audit Committee and a fellow member of the Hong Kong Securities and Investment Institute. Mr. Poon has years of experience in compliance, corporate finance and listed companies management.

潘昭國先生，56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。潘先生獲倫敦大學授予法學研究生文憑；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。彼為澳洲會計師公會之資深註冊會計師、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，香港特許秘書公會的技術諮詢小組、中國內地關注小組及審計委員會成員，彼亦是香港證券及投資學會資深會員。潘先生於合規、企業財務及上市公司管理方面擁有多年經驗。



Mr. XIONG Qing, aged 41, an Executive Director, CFO and 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 36 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. Mr. Xiong is also an Executive Master of Business Administration degree holder of European Institute of Business Administration (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，41歲，本公司執行董事、首席財務官及副總裁，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36內分別有「XQ1」及「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。熊先生亦持有歐洲工商管理學院（法國INSEAD）高級管理人員工商管理碩士學位。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 董事及高級管理層履歷



Mr. LAM Ka Yu, aged 26, an 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 Chairlady of the Board, CEO, Executive Director and Controlling Shareholder of the Company). Mr. Lam is also a director of the Company's principal subsidiaries marked with "L1" and the legal representative of those companies marked with "L2" as set out in Note 36 to the consolidated financial statements. Mr. Lam educated in the United Kingdom and the United States of America. For corporate management experiences, Mr. Lam is currently a managing director and legal representative of a private company, which is engaged in e-commerce business in China. He previously served as a director and the general manager of a company which is engaged in advertising media business in China and he was a director of a non-profit foundation in China.

林嘉宇先生，26歲，本公司執行董事，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、執行董事及控股股東）的兒子。林先生亦是載於綜合財務報表附註36內分別有「L1」及「L2」符號之本公司主要附屬公司的董事及法定代表人。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電子商務業務的私人公司擔任董事長及法定代表人，彼曾於一家在中國經營廣告傳媒業務的公司擔任董事及總經理職務，及曾為國內一家非牟利基金會的理事。



Biographical Details of Directors and Senior Management 董事及高級管理層履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS 獨立非執行董事



Mr. LEE Luk Shiu, aged 61, an Independent Non-executive Director, the chairman of both of the Audit Committee and Remuneration Committee and a member of the 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 a member of the Hong Kong Institute of Certified Public Accountants. Mr. Lee has over 30 years of experience in commercial accounting and corporate finance. Mr. Lee has principally engaged in corporate finance and regulatory aspects in the Hong Kong 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，61歲，本公司獨立非執行董事、審核委員會和薪酬委員會主席及提名委員會委員，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超過三十年經驗，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助理副總監，其職責包括規管及監督香港上市公司有關遵守上市規則的情況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。



Ms. MA Yunyan, aged 57, 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 the senior Partner of Shu Jin Law Firm. Ms. Ma is currently an independent non-executive director of Shenzhen Techand Ecology & Environment Co., Limited and Jiangsu Nata Opto-Electronic Material Company Limited (both of the companies are listed on the Shenzhen Stock Exchange). She was a member of the Fourth, Eighth and Ninth Listing Committee of Shenzhen Stock Exchange. From August 2009 to August 2011, she was a member of the Growth Enterprises Board Public Offering Review Committee of China Securities Regulatory Committee. She 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 years of experience in the legal field in relation to the capital markets, including investment, merger 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.

麻雲燕女士，57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，為廣東信達律師事務所高級合夥人。麻女士現擔任深圳市鐵漢生態環境股份有限公司及江蘇南大光電材料股份有限公司之獨立非執行董事（上述兩家均於深圳證券交易所上市）。彼亦曾擔任深圳證券交易所第四屆、第八屆以及第九屆上市委員會委員。彼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。彼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。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷



Dr. DING Ningning, aged 71, 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, 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，71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. WU Chi Keung, aged 61, 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，61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三十年經驗。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。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷

SENIOR MANAGEMENT 高級管理層



Ms. YUAN Xiaoqin, aged 50, a president of Huabao Flavours, 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 Note 36 to the consolidated financial statements. Ms. Yuan holds an MBA degree and is a qualified engineer. Before joining the Group, Ms. Yuan served as executive in a Hong Kong listed state-owned enterprise. She has over 20 years of experience in senior management position. Ms. Yuan is currently the deputy director of China Association of Fragrance Flavour and Cosmetic Industries, deputy director of China Association of Bakery & Confectionery Industry, chairman of the Food Additives and Ingredients Industry Association in Shanghai City and consultant of the Federation of Industry and Commerce in Chaoyang District, Shantou City. She was a representative of the People's Congress in Shantou City, Guangdong Province and a member of the National Committee of the Chinese People's Political Consultative Conference in Chaoyang District, Shantou City.

袁肖琴女士，50歲，華寶香精總裁，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36內分別有「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，擁有超過二十年的高層行政經驗。袁女士現兼任中國香料香精化妝品工業協會副理事長、中國焙烤食品糖製品工業協會副理事長、上海市食品添加劑和配料行業協會會長、汕頭市潮陽區工商業聯合會顧問。彼曾擔任廣東省汕頭市人民代表大會代表及汕頭市潮陽區政協委員。



Mr. CHOY Man Fai, aged 55, a vice president of Huabao Flavours, 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" and the legal representative of those companies marked "FC2" as set out in Note 36 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 world 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，現年55歲，華寶香精副總裁，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36內有「FC1」和「FC2」符號之本公司主要附屬公司的董事及法定代表人。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。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷



Mr. SONG Junhe, aged 50, a director and vice president of Huabao Flavours, joined the Group since August 2006. Mr. Song is also a director of the Company's principal subsidiaries marked with "SJ1" and the legal representative of those companies marked with "SJ2" as set out in Note 36 to the consolidated financial statements. Mr. Song graduated from Anhui University and holds a Bachelor's degree in analytical chemistry. 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，50歲，華寶香精董事兼副總裁，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36內有「SJ1」和「SJ2」符號之本公司主要附屬公司的董事及法定代表人。宋先生畢業於安徽大學，獲分析化學專業學士學位。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。



Mr. ZHANG Ziheng, aged 41, a director of Huabao Flavours and the president of Tobacco Raw Materials Division of the Group, joined the Group since July 1999. Mr. Zhang is also a director of the Company's principal subsidiaries marked with "ZH1" and the legal representative of those companies marked with "ZH2" as set out in Note 36 to the consolidated financial statements. Mr. Zhang graduated from East China University of Science and Technology and holds a Bachelor's degree in applied chemistry (industry of fine chemistry). Mr. Zhang joined the Group after graduation, and he has served in the production, management and purchasing departments of the Group. He has extensive experiences in the field of corporate management. Mr. Zhang is currently a committee member of The Chinese People's Political Consultative Conference in Shantou City and a vice chairman of the Federation of Industry and Commerce in Chaoyang District, Shantou City.

張子恒先生，41歲，華寶香精董事及集團煙用原料事業部總裁，自一九九九年七月起加入本集團。張先生亦是載於綜合財務報表附註36內分別有「ZH1」和「ZH2」符號之本公司主要附屬公司的董事及法定代表人。張先生畢業於華東理工大學，獲精細化工學士學位。張先生大學畢業後即加入本集團，先後在生產、管理、採購等部門任職，在企業營運方面擁有豐富經驗。張先生現兼任汕頭市政協委員會委員及汕頭市潮陽區工商業聯（總商會）副主席。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷



Mr. Alan DAVIES, aged 71, the chief flavourist of Huabao 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 Note 36 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 world 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，71歲，華寶香精首席調香師，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36內有「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. LUO Jing, aged 40, a vice president and chief human resources officer of the Company. Mr. LUO graduated from the Department of International Politics at Fudan University with a Bachelor's Degree in Law, and then obtained a Master's Degree in Management from University of Leeds. Mr. LUO also holds a senior human resources management qualification. Prior to joining the Group, he held the position of chief human resources officer and some other senior management positions in number of large group companies, as well as accumulated rich management and consulting experiences in enterprises human resources planning and organizational strategic development.

羅晶先生，現年40歲，本公司副總裁及首席人力資源官。羅先生畢業於復旦大學國際政治系專業，獲法學學士學位，並獲英國利茲大學管理學碩士學位。羅先生擁有高級人力資源管理師資格，在加入本集團前曾在多家大型集團公司擔任首席人力資源官等高級管理職位，在企業的人力資源規劃及組織戰略發展方面累積了豐富的管理及諮詢經驗。

Note: Information contained in this section was up to 31 December 2018

註：此部份所載資料乃截至二零一八年十二月三十一日止

Corporate Governance Report

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 nine months ended 31 December 2018, the Company had complied with the code provisions in the CG Code and, where appropriate, adopted the recommended best practice as set out in the code provisions, except for code provisions A.2.1 and A.4.1:

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

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

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.

企業管治報告

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

於二零一八年十二月三十一日止九個月，本公司已遵守企業管治守則之守則條文，並在適當的情況下採納守則條文所載之建議最佳常規，惟守則條文第A.2.1條及第A.4.1條除外：

守則條文第A.2.1條規定，主席與行政總裁的角色應有區分，且不應由一人同時兼任。儘管本公司董事會主席兼執行董事朱林瑤女士自二零一三年四月九日起兼任首席執行官職務，惟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

Changes in Information in respect of Directors

In accordance with Rule 13.51B(1) of the Listing Rules, no changes to information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) between 22 November 2018 (being the date of approval of the Company's 2018/19 interim report) and 12 March 2019 (being the date of approval of this Annual report) of the Company.

THE BOARD

Board Composition

The Company has a well-balanced Board. The Board comprises five Executive Directors and four INEDs. The members of the Board are as follows:

Executive Directors

Ms. CHU Lam Yiu	(Chairlady and CEO)
Mr. XIA Liquan	(Vice Chairman)
Mr. POON Chiu Kwok	(Company Secretary)
Mr. XIONG Qing	(CFO)
Mr. LAM Ka Yu	

Independent Non-executive Directors

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

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 (both are Executive Directors of the Company). Biographies of the Directors are set out on pages 33 to 37 of this annual report. The present Board has experience, expertise, and qualifications in aspects of production and operation, 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 nine months ended 31 December 2018, 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.

企業管治報告

董事資料更新

根據上市規則第13.51B(1)條，於二零一八年十一月二十二日（為通過本公司二零一八／二零一九年度之中期報告當日）至二零一九年三月十二日（為通過本年報當日）期間，本公司的董事資料未有根據第13.51(2)條(a)至(e)及(g)段變動而需予披露。

董事會

董事會成員

本公司有一個全面化的董事會。董事會由五名執行董事及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	(副主席)
潘昭國先生	(公司秘書)
熊卿先生	(首席財務官)
林嘉宇先生	

獨立非執行董事

李祿兆先生
麻雲燕女士
丁寧寧博士
胡志強先生

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（均為本公司執行董事）為母子關係。董事履歷載於本年報第33至37頁。現時之董事會於生產營運、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。

於二零一八年十二月三十一日止九個月，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。

Corporate Governance Report

Chairlady and Chief Executive Officer

Ms. CHU Lam Yiu is the Chairlady of the Board (responsible for the management of Board's operation and development of the Group's strategic planning) and Executive Director of the Company. She took up the position of CEO (responsible for important management and business decisions making of the Group) 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 Chairlady and CEO concurrently, is beneficial to the business development and management of the Group.

Mr. XIA Liqun as Vice Chairman, is responsible for the daily operational management of the Group and report to the CEO directly. With the support of Mr. XIA Liqun as the Vice Chairman, Mr. XIONG Qing as the Chief Financial Officer, Mr. POON Chiu Kwok as the Company Secretary, and the Qualified Accountant, the Chairlady 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 Chairlady 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 profitability 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 by directors to perform their duties.

The Board, led by the Chairlady, 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.

企業管治報告

主席與首席執行官

朱林瑤女士為本公司董事會主席（負責領導董事會的運作及本集團的戰略規劃）兼執行董事，彼自二零一三年四月九日起兼任首席執行官（負責本集團重大管理及業務決策）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。

夏利群先生兼任副主席，負責本集團日常營運管理工作，並直接向首席執行官匯報。主席於副主席夏利群先生、首席財務官熊卿先生、公司秘書潘昭國先生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。



Corporate Governance Report

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 that may be brought against them in the course of execution of their duties in good faith.

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 60 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 such 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 and Compliance 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 nine months ended 31 December 2018, the Chairlady has held a meeting with the INEDs without the presence of Executive Directors.

企業管治報告

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。

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，包括本集團財務表現。董事出席會議的紀錄載於本年報第60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紀錄的初稿於定稿前，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委員查閱。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／本公司法務部及合規部的意見及服務，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。

於二零一八年十二月三十一日止九個月，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。



Corporate Governance Report

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 annual general meeting of the Company since their last appointment or re-election and are eligible for re-election.

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 of all Directors, the Company has received their written confirmations that they have complied with the required standard as set out in the Model Code throughout the nine months ended 31 December 2018. Full details of the Directors' interests in the Shares are set out on page 74 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 the 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 Yunyan, Mr. WU Chi Keung, and one Executive Director, Mr. XIA Liqun.

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.huabao.com.hk and on the Hong Kong Stock Exchange's website at www.hkexnews.hk. In discharging its responsibilities, the Remuneration Committee has performed the following works:

企業管治報告

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。

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截至二零一八年十二月三十一日止九個月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74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。

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的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.huabao.com.hk和香港聯交所網站www.hkexnews.hk。為履行其職責，薪酬委員會已進行下列工作：



Corporate Governance Report

- 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 (if any).

Directors will abstain from voting in determining their own remuneration packages. During the nine months ended 31 December 2018, the Remuneration Committee met once to review the emolument packages of the Directors and senior management. The individual attendance of Remuneration Committee members at meetings is set out on page 60 of this annual report. Details of the emolument of the Directors are set out in Note 38 to the consolidated financial statements while details of the Share Option Scheme to the Directors and senior management are set out on pages 71 to 72 of this annual report.

Audit Committee

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

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:

企業管治報告

- 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（如有）。

董事須就釐定彼等薪酬組合時放棄投票。於二零一八年十二月三十一日止九個月內，薪酬委員會就審閱本公司董事和高級管理層的薪酬組合召開一次會議。各薪酬委員會委員出席會議的紀錄載於本年報第60頁。董事之薪金詳情載於綜合財務報表附註38，而購股權計劃詳情亦載於本年報第71至72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）、麻雲燕女士、丁寧寧博士和胡志強先生組成。

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流程之有效性和重大內部監控包括財務、運作、合規和風險控制提供獨立意見，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：



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- To review the financial budget and planning including the annual and interim financial statements and results announcements during the financial year/for the reporting period;
- To discuss with the external auditors and the management on possible accounting risks;
- To review the effectiveness of the Group's financial controls, corporate governance, internal controls and risk management systems;
- To review the sufficiency of manpower, resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions;
- 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 corporate governance and other legal and regulatory requirements, and to report to the Board on their decisions or recommendation.

The terms of reference of Audit Committee was published on the Company's website at www.huabao.com.hk and on the Hong Kong Stock Exchange's website at www.hkexnews.hk.

The Audit Committee meets regularly with the Company's external auditors to discuss accounting issues, and reviews the effectiveness of risk management and internal control systems. During the nine months ended 31 December 2018, the Audit Committee met twice for reviewing the financial reports for 2018 audited annual results and 2018/2019 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 risk management and internal controls system. The individual attendance of Audit Committee members at meetings is set out on page 60 of this annual report. Members of the Audit Committee were satisfied with the Company's risk management and internal control systems and the financial reporting disclosures.

The Audit Committee of the Company has reviewed the Group's audited annual results for the nine months ended 31 December 2018.

企業管治報告

- 審閱財政年度／報告期內之財務預算及籌資計劃，包括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、企業管治、內部監控及風險管理系統之有效性；
- 檢討處理會計、內部審核及財務匯報職能方面的人手、資源、員工資歷經驗及接受的培訓課程及有關預算是否充足；
- 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企業管治及其他法律及監管規定方面的政策及常規，並向董事會匯報其決定或建議。

審核委員會的職權範圍已刊登於本公司網站www.huabao.com.hk和香港聯交所網站www.hkexnews.hk。

審核委員會與公司的外聘核數師定期開會討論會計問題，並檢討風險管理及內部監控系統之有效性。於二零一八年十二月三十一日止九個月，審核委員會舉行兩次會議以審閱二零一八年度之經審核全年業績及二零一八／二零一九年度之中期業績（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）以及檢討本集團之風險管理及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60頁。審核委員會委員對本公司之風險管理及內部監控系統和財務報告的披露表示滿意。

本公司審核委員會已審閱本集團截至二零一八年十二月三十一日止九個月之經審核全年業績。



Corporate Governance Report

Nomination Committee

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

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.huabao.com.hk and on the Hong Kong 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.

The Company has revised the Terms of Reference of the Nomination Committee during the nine months ended 31 December 2018 to comply with the new requirements by the Listing Rules. The amendments aim to set out the selection criteria for potential INED candidates and to promote the diversity policy of the Group. The revised Terms of Reference became effective on 27 November 2018 with selection criteria set forth below:

- (i) To enhance the long term development of the Company as first priority;
- (ii) To note such candidate's personal integrity, quality and insight and whether the Company's overall needs would be satisfied; and
- (iii) To note the diversity of the Board and the vision and benefits brought.

企業管治報告

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，即李祿兆先生和丁寧寧博士組成。

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.huabao.com.hk和香港聯交所網站www.hkexnews.hk。履行其職責時，提名委員會已進行下列工作：

- 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。

本公司於二零一八年十二月三十一日止九個月修訂了《提名委員會的職責範圍》以遵循上市規則的新規定。修訂旨在設立評估具潛質之獨立非執行董事候選人的挑選標準，並推動本集團的人才多元化政策。經修訂之職責範圍於二零一八年十一月二十七日生效，當中有關甄選準則如下：-

- (i) 以促進公司長遠發展為第一要旨；
- (ii) 關注個人誠信、素質及視野等是否切合本公司整體需要；及
- (iii) 關注對董事會成員組合之多元性所帶來的觀點及優勢。



Corporate Governance Report

Board Diversity Policy

The Company adopted a board diversity policy (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, report to the Board on their decisions or propose recommendations on any amendments for the Board's review and approval, in order to ensure the effectiveness of the Policy.

During the nine months ended 31 December 2018, the Nomination Committee met once for reviewing the board structure, the diversity of Board members and the commitment of Directors 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 of the directorships held in other listed companies or nature of offices held in public organizations and other significant commitments. 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 60 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has full responsibility for maintaining an integrated and effective risk management and internal control systems of the Group, which includes the establishment of a defined management structure with specified limits of authority. The internal control system is designed to assist in the achievement of business objectives of the Group, safeguarding assets against unauthorized use or disposition, ensuring the proper maintenance of 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 internal control system (embedded in the operations of the Company and forms part of the Company's culture) includes:

企業管治報告

董事會成員多元化政策

本公司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，並不時作出檢討，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。

於二零一八年十二月三十一日止九個月，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一次會議，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性質以及其他重大承擔。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60頁。

風險管理及內部監控

董事會全權負責維持健全和有效的集團風險管理及內部監控系統，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、確保會計紀錄得以妥善保存，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，為無重大失實陳述或損失提供合理的、非絕對的保證。內部監控系統已嵌入本公司營運和成為其文化之一，包括：



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- 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 and Risk Management

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

The Company has set out Internal Audit Department with scope of works advised by the Audit Committee.

The Legal Department and Compliance Department are led by experienced professional legal staff, together with Compliance Department and other business functions (including Internal Audit Department) of the Group, monitor and assess risk regularly, boost related management standards and evaluate investment projects. The Company has engaged a reputable law firm, Herbert Smith Freehills, as its annual retainer counsel for provision of legal advice relating to compliance of Listing Rules and regulatory requirements.

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 make comparison between operating results and the budget.

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.

企業管治報告

- 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：

組織結構及風險管理

本集團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。

本公司設立內部審計組，其工作範疇經由審核委員會建議。

本集團的法務部及合規部，其中以資深的專業法務人員為首，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。本公司已聘用一間著名律師事務所—史密夫斐爾律師事務所作為其常年法律顧問，就上市規則和監管要求的合規性提供法律意見。

授權和監控

授予執行董事和高級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，財務預算經董事會批准後執行。已設有相關程序評估、檢討和批准重大資本支出和經常性支出，和定期審閱和比較經營業績與預算。

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報表按一般公認會計準則、本集團會計政策和適用的法律規則等編制。



Corporate Governance Report

Risk Management and Internal Control Review

During the nine months ended 31 December 2018, the Internal Audit Department 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 works:

- (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;
- (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; and
- (iv) To design and review the questionnaires on the effectiveness of the risk management and internal control systems submitted by the head offices of the Group, subsidiaries, business sectors of the Company.

The Company has adopted a set of risk management and internal control policies and procedures to safeguard the Group's assets, to ensure proper maintenance of accounting records and reliability of financial information, and to ensure compliance with relevant laws and regulations.

The Directors and senior management of the Company received the information about local, market and the competitors' dynamic movements each week and their understanding of the risk assessment is enhanced through the on-the-job training and regular senior management meetings, at which they discuss cases of the potential risk management.

企業管治報告

風險管理及內部監控評估

於二零一八年十二月三十一日止九個月，內部審計部門對內部監控系統（包括財務、營運和合規監控和風險管理功能）進行年度評估。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；
- (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；和
- (iv) 設計及檢查集團總部、各事業部門及附屬公司就風險管理及內部監控系統的有效性提交的調查表格。

本公司已採納一套風險管理及內部監控政策及程序，以保障本集團資產，確保會計記錄妥善保存及財務資料的可靠性，以及確保遵守相關法律及法規。

本公司的董事及高級管理層每星期都會收到週報資料（包括地方、市場及競爭對手的動態），透過定期的高級管理層會議討論有關潛在的風險管理個案及在職培訓，以增加董事及高級管理層對風險評估的認知。



Corporate Governance Report

Identification, assessment and management:

- The head of each department such as the Investment Department, Finance Department and the Board of the Company will inform and report to the relevant Directors regarding the factors that have impact on the profit and price based on the nature of business and their own experience. During the course of execution, the concerned project teams of the Company will handle relevant documents and report to the relevant personnel (including the Directors).
- As for the matters as required to be disclosed under the Listing Rules, the Compliance Department will present the issues to the Board for review and discussion, and the Legal Department and Compliance Department will inform relevant members of the project team that dealing in the shares of the Company is prohibited.

Review prior to the transactions:

- Generally, the price sensitive information forms regarding the daily operation and connected transactions of the Company will be circulated to relevant departments at the beginning of every month by the Finance Department, and the Finance Department will combine and submit the forms to the Compliance Department for overall review in the middle of each month, ensuring that there are no material omissions. The Legal Department and Compliance Department will also confirm with the Compliance Department for any material contracts.

During the nine months ended 31 December 2018, Internal Audit Department has presented its 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 members of the Group to the Board at board meeting.

企業管治報告

辨認、評估及管理：

- 本公司的部門主管（包括投資部、財務部及董事會）會根據業務性質及自身經驗，針對那些對盈利或價格有影響的因素知會有關董事及作出匯報。當有關的項目執行中時，本公司相關專案小組會處理專案文件，並向有關人員（包括董事）匯報情況。
- 若按上市規則需要披露的事項，合規部門將提呈董事會審閱及審議，同時法務部及合規部會通知項目組有關成員禁止買賣本公司股票。

截至交易前的檢查：

- 本公司的日常經營及關連交易的價格敏感資訊表，通常於每個月月初經由財務部發出給相關部門，並於每月中旬由財務部匯總到合規部做總體檢查，確認並無任何重大遺漏，而法務部及合規部亦會每月向合規部確認有關重大合同事項。

於二零一八年十二月三十一日止九個月，內部審計部門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。



Corporate Governance Report

Measures to further enhance Internal Control Systems and Corporate Governance practices

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 a confidential manner, 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 execution of the internal reporting policy 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, the annual retainer 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.

During the nine months ended 31 December 2018, the Internal Audit Department of the Company has carried out internal control audits in respect of those risk areas, such as business operation, financial system, project investment and management, corporate governance, etc., and also head offices, business sectors and certain subsidiaries of the Group. The Internal Audit Department has reported to the Directors in respect of the effectiveness of the risk management and internal control system and significant risks. The Board reviewed and evaluated the effectiveness of risk management and internal control systems of the Company and its subsidiaries by considering reviews performed by the Audit Committee with the assistance of the management team and Internal Audit Department and external auditors.

As a result of the above review, the Board confirms, and management has also confirmed to the Board, that the Group's risk management and internal control systems are effective and adequate (including the resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions are adequate) and have complied with the CG Code provisions on risk management and internal control throughout the nine months ended 31 December 2018 and up to the date of this annual report.

企業管治報告

提升內部監控制度及企業管治的措施

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。

於二零一八年十二月三十一日止九個月，本公司內部審計部門就業務營運、財務系統、項目投資管理、公司治理等風險領域，以及集團總部、事業部及若干下屬企業進行了內部控制審計。內部審計部門就風險管理及內部監控系統的有效性和重大風險向董事進行了匯報。董事會透過審核委員會並且在管理層以及內部審計部門和外聘核數師的協助下對本公司及其附屬公司之風險管理及內部監控系統之成效進行檢討及評估。

根據上述檢討的結果，董事會確認，及管理層亦向董事會確認，本集團之風險管理及內部監控制度均有效和充足（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足夠的），並於二零一八年十二月三十一日止九個月內及截至本年報日期已遵守企業管治之守則條文的風險管理及內部監控制度之規定。



Corporate Governance Report

Directors' Training

All Directors participated in appropriate continuous professional development and provided the Company with their records of training they received for the nine months ended 31 December 2018. Directors participated in the training which included reading regulatory updates, attending seminars or conducting training sessions and exchanging views.

Executive Directors

Ms. CHU Lam Yiu	朱林瑤女士
Mr. XIA Liqun	夏利群先生
Mr. POON Chiu Kwok	潘昭國先生
Mr. XIONG Qing	熊卿先生
Mr. LAM Ka Yu	林嘉宇先生

Independent Non-executive Directors

Mr. LEE Luk Shiu	李祿兆先生
Ms. MA Yunyan	麻雲燕女士
Dr. DING Ningning	丁寧寧博士
Mr. WU Chi Keung	胡志強先生

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.

During the nine months ended 31 December 2018, Mr. Poon has obtained over 40 hours of relevant professional training.

企業管治報告

董事培訓

於二零一八年十二月三十一日止九個月，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。

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

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。

於二零一八年十二月三十一日止九個月，潘先生已獲得超過四十小時之相關專業培訓。



Corporate Governance Report

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' Report and Remuneration

The external auditors have a primary responsibility for auditing and reporting on the financial statements. The Auditors' Report to the Shareholders is set out on pages 81 to 89 of this annual report.

During the nine months ended 31 December 2018, 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 (RMB'000) (人民幣千元)
Audit services	核數服務	
– for the audit of the Group	– 集團審計	5,000
– for the statutory and other audits of the subsidiaries	– 子公司法定及其他審計	3,096
Non-audit services	非核數服務	949

Please also refer to Note 24 to consolidated financial statement set out on page 186 of this annual report for details of Auditors' Remuneration.

企業管治報告

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，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，持續經營基準已獲採納，以及合理和謹慎的判斷和估算已獲應用。

核數師報告和酬金

外部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81至89頁。

於二零一八年十二月三十一日止九個月，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186頁綜合財務報表附註24。



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 December 2018 was 3,107,962,876. Details of share capital of the Company are set out in Note 18 of Notes to the consolidated financial statements on page 177 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。截至二零一八年十二月三十一日，已發行普通股股份數目為3,107,962,876股。本公司股本詳情載於本年報第177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	Percentage of the issued share capital
			合共持有已發行股份數目	佔已發行股本百分比
Ms. CHU Lam Yiu (Note 1)	朱林瑤女士 (附註1)	Page 74 第74頁	2,293,408,900	73.79%
Mr. XIONG Qing (Note 2)	熊卿先生 (附註2)	Page 74 第74頁	3,720,000	0.12%
Public	公眾人士		2,297,128,900 810,833,976	73.91% 26.09%
Total (Note 3)	合計 (附註3)		3,107,962,876	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;
- Directors of the Company; and
- Please refer to page 79 of the annual report under the section headed "Purchase, Sale or Redemption of the Company's Listed Securities" regarding the latest number of issued Shares.

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）；
- 本公司董事；及
- 有關最新之已發行股份數目，請參照本年報第79頁的「購買、出售或贖回本公司之上市證券」一節。

Corporate Governance Report

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 special general meeting (“SGM”) to be called by the Board for the transaction of any business transaction specified in such requisition.

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.

企業管治報告

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（「股東特別大會」），以處理有關要求中指明之任何事項。

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。



Corporate Governance Report

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 the 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.huabao.com.hk.

Making enquiries by Shareholders

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.huabao.com.hk 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 mentioned 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.huabao.com.hk 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.

企業管治報告

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時間內召開，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.huabao.com.hk 上查閱。

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.huabao.com.hk 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.huabao.com.hk，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。



Corporate Governance Report

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.huabao.com.hk.

Shareholders' Meetings held during the nine months ended 31 December 2018

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 the nine months ended 31 December 2018 are summarized as follows:

Meeting 會議	Date 日期	Venue 地點	Resolutions 決議案
Annual general meeting 股東週年大會	6 August 2018 二零一八年八月六日	Boardroom 6, M/F, Renaissance Hong Kong Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong 香港灣仔港灣道一號 香港萬麗海景酒店 閣樓會議室六	<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 2018; 省覽截至二零一八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 a final dividend for the reporting period ended 31 March 2018; 宣派截至二零一八年三月三十一日止年度的期末股息； 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 續聘核數師，並授權董事會釐定其酬金； 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； To cancel the Preference Shares of the Company 註銷本公司優先股； To authorise the registered office of the Company to make all required entries in the register of members and the make the necessary filings with the Registrar of Companies in Bermuda to reflect the cancellation of Preference Shares 授權本公司登記處於進行所有必須的登記及於百慕達公司登記處進行所需的存檔，以反映註銷優先股； To amend the Bye-laws of the Company 修訂本公司細則； To authorise the registered office of the Company to make all necessary filings with the Registrar of Companies in Bermuda with respect to the amended Bye-laws 授權本公司登記處於修訂公司細則於百慕達公司登記處作出一切所需的存檔

企業管治報告

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.huabao.com.hk 上查閱。

於二零一八年十二月三十一日止九個月舉行的股東大會

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。於截至二零一八年十二月三十一日止九個月舉行之股東大會總括如下：

Corporate Governance Report

MERGERS & ACQUISITIONS

Details of the mergers and acquisitions of the Group carried out during the nine months ended 31 December 2018 can be found on page 65 of this annual report.

CONTINUING CONNECTED TRANSACTIONS

Details of the continuing connected transactions of the Company can be found on pages 76 to 79 of this annual report.

ATTENDANCE RECORD

Details of attendance of the Directors (either in person or through telephone conferences) at board regular meetings, meetings of board committees and general meetings during the nine months ended 31 December 2018 are set out below:

		Board Regular Meeting(s) 董事會定期會議	Audit Committee Meeting(s) 審核委員會會議	Remuneration Committee Meeting(s) 薪酬委員會會議	Nomination Committee Meeting(s) 提名委員會會議	Annual General Meeting(s) 股東週年大會
No. of meeting held	會議次數	5	2	1	1	1
Executive Directors	執行董事					
Ms. CHU Lam Yiu (<i>Chairlady and CEO</i>)	朱林瑤女士 (主席兼首席執行官)	5/5	N/A 不適用	N/A 不適用	1/1	1/1
Mr. XIA Liqun (<i>Vice Chairman</i>)	夏利群先生 (副主席)	5/5	N/A 不適用	1/1	N/A 不適用	1/1
Mr. POON Chiu Kwok (<i>Company Secretary</i>)	潘昭國先生 (公司秘書)	5/5	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. XIONG Qing (<i>CFO</i>)	熊卿先生 (首席財務官)	5/5	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. LAM Ka Yu	林嘉宇先生	5/5	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					
Mr. LEE Luk Shiu	李祿兆先生	5/5	2/2	1/1	1/1	1/1
Ms. MA Yunyan	麻雲燕女士	5/5	2/2	1/1	N/A 不適用	1/1
Dr. DING Ningning	丁寧寧博士	5/5	2/2	N/A 不適用	1/1	1/1
Mr. WU Chi Keung	胡志強先生	5/5	2/2	1/1	N/A 不適用	1/1

MAJOR CHANGES TO THE BYE-LAWS

During the nine months ended 31 December 2018, the Company amended the Bye-laws by, among others, removing all references to the preference shares of the Company. The amendments of the Bye-laws became effective on 6 August 2018. The amended Bye-laws is available on the Company's website at www.huabao.com.hk and on the Hong Kong Stock Exchange's website at www.hkexnews.hk

企業管治報告

收購合併

於二零一八年十二月三十一日止九個月，本公司收購合併詳情載於本年報第65頁。

持續關連交易

本集團之持續關連交易詳情載於本年報第76至79頁。

出席記錄

各董事於二零一八年十二月三十一日止九個月親自出席或透過電話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：

公司細則重大變更

於二零一八年十二月三十一日止九個月，本公司修訂了公司細則，報告期內，公司通過修訂公司細則，其中包括，消除對公司的優先股的所有引用。公司細則之修訂於二零一八年八月六日生效，經修訂的公司細則可於本公司網站 www.huabao.com.hk 及香港聯交所網站 www.hkexnews.hk 查閱。

Investor Relations Report

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 abovementioned 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

On 21 December 2018, the Group repurchased 126,000 shares in the open market with approximately RMB352,000. During the reporting period, the Company proactively communicated with investors by multiple channels to convey its latest developments, performance, and strategic goals so that investors could have a better understanding of the Group and sets solid foundation for the Group's activities in the capital market in the future. Investor relations activities conducted by the Group are as follows,

Details	Frequency
Results presentation	2
Non-deal roadshow	2 (Hong Kong and Shanghai)
Investor meeting	1 (Shenzhen)
On-on-one and Group meeting	30
Conference call	3
Site visits and reverse roadshow	3

- **Results presentation**

On 21 June 2018 and 23 November 2018, the Group hosted annual and interim results presentation respectively. At the presentation, the management answered investors' questions in regard to the Group's operating and financial performance.

- **Roadshows and investor meetings**

The Group proactively attended reputable investment bank's roadshows and investor meetings, and leveraged every opportunity to illustrate the Group's performance and development strategies to investors so that the Group could enhance its reputation and image in the capital markets.

投資者關係報告

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

二零一八年十二月二十一日，本公司於公開市場回購共126,000股股份，動用約人民幣352,000元。於報告期內，本公司透過一系列投資者關係活動，將公司業務的最新進展、成績、戰略目標傳遞予投資者，以強化投資界對本公司的了解，為本公司未來在資本市場的活動奠定良好的基礎。本公司展開的投資者關係活動詳情如下：

活動詳情	次數
業績發佈會	2
非交易路演	2 (香港、上海)
投資者會議	1 (深圳)
一對一及小組會議	30
電話會議	3
廠房參觀及反向路演	3

- **業績發佈會**

本公司於二零一八年六月二十一日及二零一八年十一月二十三日分別召開年度業績發佈會及中期業績發佈會。於發佈會上，公司管理層親自回答投資者提出的有關本公司營運及財務表現的問題。

- **路演及投資者會議**

公司積極參與知名投資銀行舉辦的路演及投資者會議，利用每一個機會向投資者闡述公司業績及發展策略，提升公司在資本市場的知名度及形象。



Investor Relations Report

• Site visits and reverse roadshows

During the period under review, the Group arranged shareholders, analysts, and investors to visit the Group's R&D and manufacturing bases so that they could have a good understanding of the Group's operations. On the other hand, the participants in the capital markets could leverage the site visits opportunities to monitor the Group's operations and urge the Group to make progress.

• Annual general meeting

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. The Company's Chairlady and the Audit Committee's Chairman were present in person or through telephone/video conferences and available to answer questions raised at the AGM.

• Analyst coverage

In order to let investors better understand the Group's business, the Group proactively communicated with industry analysts with an aim to gain more attention from the capital markets. At present, the Group are covered by the analysts of research institutions below,

- First Shanghai Securities Limited
- Tianfeng Securities Company Limited

• Detailed financial statements

The company attaches great importance to annual reports and interim reports, put a lot of resources for these two reports' preparation, and uses them as one of the major communication bridges between the company and investors. Through this approach, the latest information of the Group can be transmitted to investors, aiming to convey the Group's comprehensive strategy, operating principles, business and financial performance and future prospects in a detailed and accurate manner.

投資者關係報告

• 廠房參觀及反向路演

回顧期內，本公司安排股東、分析員及投資者參觀本公司主營業務的研發及生產基地，從而讓他們能夠對本公司營運狀況有直觀的感受。另一方面，也讓資本市場各參與方監督本公司的營運，督促公司進步。

• 股東周年大會

對股東而言，能夠取得清晰及有效數據十分重要，他們可借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周年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親自出席或通過電話／視像會議方式出席股東周年大會，並解答所提出的問題。

• 分析師報告

為使投資者更好的了解本公司業務，本公司在嚴格遵守監管規定的前提下，積極與行業分析師保持溝通，以爭取更多資本市場的關注。目前，本公司獲得以下研究機構的分析師撰寫研究報告：

- 第一上海證券有限公司
- 天風證券股份有限公司

• 詳盡的財務報告

本公司高度重視年度報告和中期報告，投放大量資源編製，並將其作為本公司與投資者之間的主要溝通橋樑之一。通過此途徑將本公司最新的資訊傳遞給投資者，務求詳盡準確地傳達本公司全方位的戰略、經營方針、業務及財務表現和未來展望。



Investor Relations Report

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

The Company's website at www.huabao.com.hk contains information such as important corporate data, biographical details of Directors, organizational structure and press releases.

In addition, the Company also has professional investor relations website (<http://huabao.todayir.com/html/ir.php>) to publish interim and annual reports, announcements and circulars that enables the Company's Shareholders and members of the investment community to have timely access to the most updated information about the Company.

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

Information for investors (as at 31 December 2018)

1. Huabao International Holdings Limited	
Board Lot Size	1,000 shares
Number of shares issued	3,107,962,876 shares
Market capitalization (based on the closing price of HKD3.33 per share on 31 December 2018)	approximately HKD10.35 billion
Stock Code	
The Stock Exchange of Hong Kong Limited stock code	00336
Reuters ticker	336.HK
Bloomberg ticker	336:HK

投資者關係報告

- 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.huabao.com.hk，載有重要之企業數據、董事履歷、組織架構、公司新聞等信息。

此外本公司亦設有專業投資者關係網站<http://huabao.todayir.com/html/ir.php>，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。

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
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

投資者數據 (於二零一八年十二月三十一日)

1. 華寶國際控股有限公司	
每手買賣單位股數	1,000股
已發行股份數目	3,107,962,876股
市值 (以二零一八年 十二月三十一日 收市價每股 港幣3.33元計算)	約港幣103.5億元
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	336:HK



Investor Relations Report

2. Huabao Flavours & Fragrances Company Limited (a non-wholly owned subsidiary of the Company listed on the ChiNext of the Shenzhen Stock Exchange)

Board Lot Size	100 shares
Number of shares issued	615,880,000 shares
Market capitalization (based on the closing price of RMB31.07 per share on 28 December 2018)	approximately RMB19.14 billion
Stock Code ChiNext of Shenzhen Stock Exchange stock code	300741
Reuters ticker	300741.SZ
Bloomberg ticker	300741:CH

Financial Calendar

Closing date for transfer of shares for Annual General Meeting	From 29 April 2019 (Monday) to 3 May 2019 (Friday) (both days inclusive)
Annual General Meeting	3 May 2019 (Friday)
Ex-dividend date	8 May 2019 (Wednesday)
Closing date for transfer of shares for proposed final and special dividends	From 10 May 2019 (Friday) to 15 May 2019 (Wednesday) (both days inclusive)
Date of payment of proposed final and special dividends for the nine months ended 31 December 2018	On or about 28 June 2019 (Friday)
Financial year-end date	31 December

投資者關係報告

2. 華寶香精股份有限公司(本公司的一間於深圳證券交易所創業板上市的非全資子公司)

每手買賣單位股數	100股
已發行股份數目	615,880,000股
市值(以二零一八年十二月二十八日收市價每股人民幣31.07元計算)	約人民幣191.4億元
股份代號 深圳證券交易所 創業板股份代碼	300741
路透社股份代號	300741.SZ
彭博股份代號	300741:CH

財務日誌

股份截止過戶日期 (股東周年大會)	二零一九年四月二十九日(星期一)至五月三日(星期五)(包括首尾兩日)
股東周年大會	二零一九年五月三日(星期五)
除淨日	二零一九年五月八日(星期三)
股份截止過戶日期 (派發期末及特別股息)	二零一九年五月十日(星期五)至十五日(星期三)(包括首尾兩日)
派發建議截至二零一八年十二月三十一日止九個月之期末及特別股息日期	二零一九年六月二十八日(星期五)或前後
財政年度結算日	十二月三十一日



Directors' Report

The Board is pleased to present its annual report together with the audited consolidated financial statements for the nine months ended 31 December 2018.

ACQUISITIONS AND DISPOSAL

Acquisition of Jiahao Foodstuff

On 4 September 2018, the Group successfully acquired 100% interest of Jiahao Foodstuff in a final consideration of approximately USD696 million. The wholly owned subsidiary of Jiahao Foodstuff, Guangdong Jiahao, is an industry leader in the production, sale and distribution of chicken bouillon (liquid cooking stock), wasabi paste, concentrated fruit juice (used in cooking applications) and functional soy sauce in China. Following completion of the acquisition, the Group successfully expanded its foothold to condiment sector. The acquisition of Jiahao Foodstuff is an implementation of the Group's strategy of "concentric diversification based on consumers' demand in the taste-based fast-moving products industry".

Disposal of VMR Products

On 2 October 2018 (Florida time, United States), VMR Products, a non-wholly owned subsidiary of the Group, entered into and completed an agreement with JUUL Labs, Inc. and its subsidiary to dispose all of the issued and outstanding units of VMR Products, the consideration was USD31,352,380 and the cash have already been received by the Group. The successful disposal of VMR Products significantly minimized the policy and regulatory risks of the Group in the e-cigarette business and further enhanced the Group's financial resources.

BUSINESS REVIEW

The principal activity of the Company is investment holding and the Group is principally engaged in the R&D, production, distribution and sales of flavours and fragrances, tobacco raw materials, aroma raw materials, condiment products and other segments in the PRC. The activities of the Company's principal subsidiaries are set out in Note 36 to the consolidated financial statements. Further discussion and analysis of the operating activities of the Group during the nine months ended 31 December 2018, and an indication of likely future developments in the Group's business, as required by Schedule 5 of the Hong Kong Companies Ordinance, can be found in the sections headed "Chairlady's Statement" and "Management Discussion and Analysis" as set out on pages 9 to 10 and pages 11 to 32 of this annual report respectively. Such discussion forms part of this directors' report.

董事會報告

董事會欣然提呈其年報及截至二零一九年十二月三十一日止九個月之經審核綜合財務報表。

收購及出售

收購嘉豪食品

於二零一八年九月四日，本集團成功完成收購嘉豪食品的100%股權，最終收購代價約為6.96億美元。嘉豪食品的全資附屬公司，廣東嘉豪於中國生產、銷售及分銷雞精（液態烹飪料）、芥末醬、濃縮果汁（用於烹飪應用）及功能性醬油。隨著收購完成後，本集團成功擴展其步伐至調味品市場。收購嘉豪食品符合本集團「在味覺系快消品領域，以消費者需求為引擎的同心多元化」戰略。

出售VMR Products

於二零一八年十月二日（美國佛羅里達州時間），本集團之非全資附屬公司VMR Products與JUUL Labs, Inc.及其附屬公司簽訂並完成協議，以出售VMR Products的全部已發行及未行使單位，有關代價為31,352,380美元且已收到現金對價。VMR Products的成功出售大大降低了本集團在電子霧化煙領域所面臨的政策及監管風險，對集團的財務資源也有進一步提升。

業務回顧

本公司之主要業務為投資控股，而本集團主要在中國從事研究及發展、生產、分銷及銷售香精、煙用原料、香原料、調味產品及其他板塊的業務。本公司之主要附屬公司的業務載於綜合財務報表附註36。按香港公司條例附表5要求，本集團於二零一八年十二月三十一日止九個月經營活動的進一步討論及分析，以及對本集團業務未來可能發展的指標，分別載於本年報第9至10頁及第11至32頁的「主席報告」和「管理層討論及分析」。該等討論構成本董事會報告的一部份。



Directors' Report

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. To the best of knowledge and belief, the Directors consider that the following are the key risks and uncertainties identified by the Group as at the date of this report.

The risk of down-stream industry control and policies on tobacco industry

Following the promulgation and implementation of the new Advertising Law of China in 2015, the restrictions on cigarette marketing have in turn become more rigid, and consequently the room for marketing the tobacco market becomes narrower. On the other hand, the tax-induced price hike policy has raised the consumption tax and wholesale price, and subsequently escalated the consumption cost of cigarettes, which to a certain extent have suppressed the demand for cigarette consumption. With the tightening of tobacco control policies by the international health organizations and local governments, and the increased awareness of the public on health and tobacco control, it is possible that the production and sales volumes of cigarette will further decline in the future, which in turn will cause the reduction of sales income and operating profit of the tobacco-related products of the Company. In this regard, the Company will continue to pay attention to the impacts of industry and policy changes on the business, and will adjust our business and development strategies in a timely manner.

The risk of consumer behaviour changes and the impact on the down-stream industries

With the continuous progress of society and the improvement of people's living standards, consumers have increased their awareness of health and environment protection. On the other hand, the age structure and level of consumers continue to evolve. New consumption trend as well as consumption concept and consumption behaviour keeps changing. The demand for the Group's downstream tobacco, food, daily chemical industry continues to change, thus affecting the Group's flavours and fragrances and food ingredients related products and we may face the risk of market share shrinking. The Company will continue to focus on and enhance the insight into consumer behaviour, and further optimize the product structure to meet the requirements of a new generation of consumers.

董事會報告

主要風險及不明朗因素

本集團之財務狀況、經營業績和業務前景可能由許多風險和不明朗因素直接或間接地影響本集團業務。就董事的所知及所信，認為本集團截至本報告日期的主要風險和不明朗因素如下。

下游行業管控機制及政策對煙草行業影響的風險

繼二零一五年中國新《廣告法》的頒佈和實施，對煙草行銷的限制更加嚴厲，煙草市場行銷的空間正變得越來越窄。另一方面，提稅順價政策提高了捲煙的消費稅和批發價，均在一定程度上抑制了捲煙消費需求的增長。隨著國際衛生組織和各地區政府部門加強控煙政策，以及民眾對健康控煙意識的不斷增強，不排除未來捲煙的產銷量進一步下滑，從而導致本公司煙草相關產品銷售收入及營業利潤下降。本公司會持續關注行業及政策變化對業務的影響，適時調整業務及發展策略。

消費者行為改變對下游行業影響的風險

隨著社會的不斷進步和人民生活水準的提升，消費者的健康、環保意識有所提高，另一方面，消費者年齡結構和層次不斷演變，新的消費趨勢不停變換、新的消費理念不斷產生，消費者的消費行為亦隨之變化，對集團下游煙草、食品、日化行業的需求不斷變化，進而影響公司的香精及食品配料產品的市場需求，可能面臨市場份額縮減的風險。本集團會持續關注及提升對消費者行為的洞察力，進而進一步優化產品結構滿足新一代消費者的需求。



Directors' Report

The impact of food safety policy

At present, the PRC implements an authorized management system for the food industry. The main laws, regulations and standards involved are the Food Safety Law of the People's Republic of China and the Announcement on the Production License of Food Additives. At the same time, international organizations such as the International Standards Organization (ISO), the Codex Alimentarius Commission (CAC), and the International Organisation of Food and Flavor Industry (IOFI) have formulated and promulgated product standards and industry norms to provide industry management systems and industry standards.

To a certain extent, the new law will increase the operating costs of enterprises. Should there be any further changes in the above policies and standards, it will have a direct impact on the Company's future development. The Company will make corresponding adjustment, investment and improvement in product structure, production technology and product performance and other aspects to ensure our products and operation comply with food safety standards.

The impact of Environmental Protection

With the increased awareness on the environmental protection by the society, the government's continuous improvement in environmental protection may lead to more stringent environmental protection standards and requirements in the future; if the Company cannot upgrade the production facilities in time to improve the handling of wastage, this will have an adverse impact on the Company's production and operations.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group plays an important role in protecting our environment and is committed to minimizing our impact on the environment and natural resources. We educate and train our employees on environmental issues and proper handling of hazardous substances and require adherence to corporate guidelines on environmental protection measures. Our plants have basically installed equipment and procedures designs to comply with business operation.

In addition, the Group installed video conference and telephone conference facilities for convening board meetings, committee meetings and management meetings. It enhances the efficiency of business travelling and convening meetings for the management so as to reduce the energy consumption.

The Group promotes awareness towards environmental protection to the employees. It implements green office practices such as utilizing emails for internal and external communication, adopting e-filing in server; minimizes documents printing and copying; and reduces energy consumption by switching off lightings and electrical appliances when not in use.

董事會報告

食品安全政策的影響

目前，中國對食品行業實行授權管理制度，主要涉及的法律、法規及標準有《中華人民共和國食品安全法》及《關於食品添加劑生產許可工作的公告》等。與此同時，國際標準組織（ISO）、國際食品法典委員會（CAC）、食品香料工業國際組織（IOFI）等國際性組織制定並頒佈了產品標準及行業規範，為行業管理制度、制定行業標準提供了相應依據。

有關政策將在一定程度上增加公司的營運成本，若上述政策及標準發生任何進一步變化，則將對公司的未來發展產生直接影響。本公司會持續針對上述變化及時在產品結構、生產技術及產品性能等方面做出相應調整、投入及完善，以確保產品及營運符合食品安全標準。

環保風險

隨著社會對環境保護的日益重視，政府對環境保護力度的不斷加強，可能在未來出現更為嚴格的環保標準、提出更高的環保要求；公司須及時對生產設施進行升級改造以提高排放處理能力，以滿足更為嚴格的環保標準和環保要求，否則給公司生產經營帶來不利影響。

環境政策及表現

本集團在保護環境方面，致力將集團對環境和天然資源造成的影響減至最低。我們為員工提供有關環境問題及妥善處理危險物品的教育和培訓，並要求遵從有關環境保護措施的公司指引。我們的廠房基本上已安裝設備和設有流程，旨在符合業務經營要求。

另外，本集團已安裝視頻會議和電話會議設施以召開董事會會議、委員會會議和管理層會議，此舉有助提升管理層開會出差的效率，從而減少耗能。

本集團亦推動僱員提升環保意識，實施各項綠色辦公室措施，例如利用電郵作內部和外部溝通、在伺服器採用電子存檔、減少打印和複印文件，以及關掉不使用的照明和電器以減少耗能。



Directors' Report

We have completed our Environmental, Social and Governance ("ESG") report which contains our ESG information in 2018 and the requirements under the Environmental, Social and Governance Reporting Guide of the Listing Rules. The ESG report of the Company for 2018 will be published no later than 3 months after the publication of this Annual Report on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and of the Company (www.huabao.com.hk).

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Directors recognizes that employees, customers, suppliers and business partners are the keys to the sustainable development of the Group.

Regarding employee salary and incentive system, the Group has formulated a set of remuneration system referenced to the market to attract and retains key personnel and talents with appropriate skills, experience and competence which would complement and meet the corporate and business objectives of the Group. The Group ensures all employees are reasonably remunerated and the remuneration packages of employees are reviewed regularly and necessary adjustments are made to the remuneration packages to align with the market standards. Further details on the Group's staff are set out in the "Human Resources and Corporate Culture Construction" section of this report.

The Group adheres to its core value of "client first" for years to maximise client values, maintains good relationship with its customers and suppliers, and has ongoing communication with the customers and suppliers through various channels such as telephone, electronic mails and physical meetings to obtain their feedback and suggestions. Besides, the Group has entered into related agreements to promote probity and environmental protection with respective suppliers and conducted an appraisal of its suppliers, with a view to maintaining business relationships with suppliers and customers based on principle of mutual benefit.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company has complied with the requirements under the Companies Act 1981 of Bermuda (as amended from time to time), the Listing Rules and the SFO relating to, among other things, the information disclosure and corporate governance.

SEGMENT INFORMATION

An analysis of the Group's performance for the nine months ended 31 December 2018 by business segment is set out in Note 6 to the consolidated financial statements.

董事會報告

本集團已完成環境、社會及管治（「環境、社會及管治」）報告，當中載列我們於二零一八年度在環境、社會及管治方面的資料，並已遵照上市規則有關環境、社會及管治指引的要求。二零一八年度的《環境、社會及管治報告》將不遲於刊發本年報後的三個月內登載於香港聯交所網站(www.hkexnews.hk)及本公司網站(www.huabao.com.hk)以供閱覽。

與僱員、客戶及供應商的關鍵關係

董事認同，僱員、客戶、供應商及業務合作夥伴為本集團可持續發展的關鍵。

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，吸引及挽留關鍵人員及擁有適合技能、經驗及能力的人才，以補充及滿足本集團的企業及業務目標。本集團確保所有僱員有合理報酬及定期審閱僱員薪酬，於必要時調整薪酬待遇以與市場標準保持一致。本集團員工相關的資訊詳見本報告「人力資源及企業文化建設」章節。

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，與客戶及供應商保持良好關係，並具有各種渠道，如電話、電郵及實體會議與客戶及供應商持續溝通，以取得其反饋及建議。另外，本集團與個別供應商訂有促進廉潔及環保的相關協定，並對供應商進行評估，以期與客戶及供應商保持互惠互利的業務合作關係。

遵守法律和法規

本公司已遵守百慕達1981年公司法（經不時修訂）、上市規則和證券及期貨條例（其中包括）資料披露和企業管治之要求。

分部資料

於二零一八年十二月三十一日止九個月，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6。



Directors' Report

RESULTS AND APPROPRIATIONS

The results of the Group for the nine months ended 31 December 2018 are set out in the consolidated income statement on page 91 of the annual report.

Dividend Policy

The Group is committed to sharing its development and achievements with shareholders through proactive, stable and sustainable dividend policy. The Group would strive to strike a balance between meeting shareholder's expectations and managing funds prudently. When considering the dividend policy, the Group will comprehensively observe the macro-economic operation, the competition pattern of the industry and the Group's own development strategy. Under the premise of ensuring that the Group has sufficient working capital to implement the development strategy, the Group will distribute surplus funds to shareholders and reward their support for the Group. If the Company pays dividends, the dividend payout ratio will remain at 50% or above.

Proposed final and special dividends

The Board proposes to declare a final dividend of HK8.8 cents per Share (Year 2017/18: HK15 cents) and a special dividend of HK18.9 cents per Share (Year 2017/18: nil) both in cash, amounting to HKD860.9 million (equivalent to approximately RMB754.3 million) (2017/18: RMB374 million) in aggregate for the nine months ended 31 December 2018, which are expected to be paid on or about 28 June 2019 to Shareholders whose names appear on the register of members of the Company on 15 May 2019. The payment of the final and special dividends is subject to Shareholders' approval at the AGM which is scheduled to be held on 3 May 2019.

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 3 May 2019, the register of members of the Company will be closed from 29 April 2019 to 3 May 2019, 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 26 April 2019. Shareholders whose names are recorded in the register of members of the Company on 3 May 2019 are entitled to attend and vote at the 2019 AGM.

董事會報告

業績及分派

本集團截至二零一八年十二月三十一日止九個月之業績載於年報第91頁之綜合收益表。

股息政策

本集團致力於透過積極穩健及可持續的派息政策，努力在符合股東期望與審慎管理資本之間達致平衡，與股東共同分享公司的發展和成就。在考慮派息政策時，本集團將綜合觀察宏觀經濟運行情況、行業競爭格局以及自身發展戰略，在確保公司具備充足營運資金以落實發展戰略的前提下，將盈餘的資金派發給股東，回報股東的支持。公司如派息，派息比率將維持在50%或以上。

建議派發期末及特別股息

董事會建議向於二零一九年五月十五日名列本公司股東名冊之股東宣派截至二零一八年十二月三十一日止九個月之現金期末股息每股港幣8.8仙（二零一七／一八年：每股港幣15仙）及特別股息每股港幣18.9仙（二零一七／一八年：每股港幣：無），共約港幣8.609億元（相當於約人民幣7.543億元）（二零一七／一八年：人民幣3.74億元），並預期於二零一九年六月二十八日或前後派發，但有待於二零一九年五月三日舉行的股東週年大會上獲股東批准派發該期末及特別股息。

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二零一九年五月三日舉行之股東週年大會並在會上投票，本公司將由二零一九年四月二十九日至二零一九年五月三日止（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二零一九年四月二十六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。於二零一九年五月三日記錄於本公司股東名冊的股東均有權出席二零一九年股東週年大會及於會上投票。



Directors' Report

CLOSE OF REGISTER OF MEMBERS FOR PAYMENT OF FINAL AND SPECIAL DIVIDENDS

In order to determine Shareholders who qualify for the proposed final and special dividends, the register of members of the Company will be closed from 10 May 2019 to 15 May 2019, 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 9 May 2019. Shareholders whose names are recorded in the register of members of the Company on 15 May 2019 are entitled to receive the final and special dividends both in cash for the nine months ended 31 December 2018.

RESERVES

Movements in the reserves of the Group and the Company during the nine months ended 31 December 2018 are set out in the consolidated statement of changes in equity on page 93 and in Note 19 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2018, the distributable reserves of the Company amounted to RMB2,745,620,000 (31 March 2018: RMB2,609,978,000).

DONATIONS

Charitable and other donations made by the Group during the nine months ended 31 December 2018 amounted to approximately RMB415,000 (31 March 2018: RMB375,000).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group are set out in Note 7 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.

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 220.

董事會報告

暫停辦理股份過戶登記手續－派發期末及特別股息

為確保股東有資格獲派建議之期末及特別股息，本公司將由二零一九年五月十日二零一九年五月十五日止（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二零一九年五月九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。於二零一九年五月十五日記錄於本公司股東名冊的股東均有權收取截至二零一八年十二月三十一日止九個月之現金期末股息。

儲備

本集團及本公司於二零一八年十二月三十一日止九個月之儲備變動載於年報第93頁之綜合權益變動表及綜合財務報表附註19。

可供分派之儲備

截至二零一八年十二月三十一日，本公司之可供分派儲備為人民幣2,745,620,000元（二零一八年三月三十一日：人民幣2,609,978,000元）。

捐款

本集團於二零一八年十二月三十一日止九個月作出慈善及其它捐款合共約人民幣415,000元（二零一八年三月三十一日：人民幣375,000元）。

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7。

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。

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220頁。



Directors' Report

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at the Company's annual general meeting held on 9 August 2016, the Company terminated the share option scheme adopted on 22 September 2006 ("2006 Share Option Scheme") and adopted a new share option scheme ("New Share Option Scheme") on 9 August 2016 ("Adoption Date"). As at 31 December 2018, all outstanding options granted prior to termination of the 2006 Share Option Scheme lapsed. The New Share Option Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date and the terms of the New Share Option Scheme are substantially the same as those of the 2006 Share Option Scheme. The following is a summary of the New Share Option Scheme:

(a) Purpose

The New 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

The Directors may, in accordance with the provisions of the New Share Option Scheme and the Listing Rules, invite person(s) who or which is/are eligible to participate as grantee(s) and receive options under the New Share Option Scheme, to take up share options to subscribe for Shares.

(c) Maximum number of shares available for subscription

The total number of share options to be granted under the New Share Option Scheme shall not exceed 10% of the issued Shares of the Company as at 9 August 2016. 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 New 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.

董事會報告

購股權計劃

根據本公司於二零一六年八月九日舉行的股東週年大會上通過之普通決議案，本公司終止於二零零六年九月二十二日採納之購股權計劃（「二零零六年購股權計劃」），並採納一項新購股權計劃（「新購股權計劃」），截至二零一八年十二月三十一日，所有根據二零零六年購股權計劃終止前已授出而未被行使的購股權已失效，新購股權計劃自採納日期起十年內合法、有效及其條款與二零零六年購股權計劃大致相若。新購股權計劃的摘要載列如下：

(a) 目的

新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) 參與者

董事可根據新購股權計劃之條文及上市規則邀請合資格以承授人身份參與新購股權計劃及據此獲得購股權之人士接納購股權以認購股份。

(c) 可供認購之最多股份數目

根據新購股權計劃批授的購股權總數，不得超逾二零一六年八月九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。因按照新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%。



Directors' Report

(d) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options under the New Share Option Scheme) in any 12-month period must not exceed 1% of the issued share capital of the Company. Any excess over 1% shall be subject to the approval of the Shareholders at general meeting with such participant and his/her close associates abstaining from voting and the Company shall issue a circular pursuant to relevant provisions of Chapter 17 of the Listing Rules.

(e) Time of acceptance and exercise of a share option

The grantee may accept the offer of the share option within 30 business 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 granted. 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 New 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 New Share Option Scheme does not provide for any minimum period for which share options must be held before it can be exercised.

(g) Basis for determining the exercise price

The exercise price of share option granted pursuant to the New 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 Hong Kong 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 Hong Kong 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.

(h) The life of the New Share Option Scheme

The New Share Option Scheme will remain in force for 10 years starting from 9 August 2016 (can be terminated before expiration).

As at 31 December 2018 and up to the date of this report, no share options were granted under the New Share Option Scheme.

董事會報告

(d) 各參與者可獲授權益上限

各參與者於任何12個月期間內因行使其獲授購股權（包括根據新購股權計劃已行使及尚未行使之購股權）而已發行及將發行之股份總數，不得超過本公司已發行股本之1%。如授出之數目超逾1%，則須於股東大會上取得股東批准，而有關參與者及其緊密聯繫人士須放棄投票，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) 接納及行使購股權之期限

承授人可於本公司發出的要約函件當日起計30個營業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。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新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，否則新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) 釐定行使價的基準

根據新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）香港聯交所每日報價表所列之股份收市價；(ii)在緊接要約日期前五個營業日在香港聯交所每日報價表所列收市價的平均數；及(iii)股份面值。

(h) 新購股權計劃的有效期

新購股權計劃於二零一六年八月九日起計十年內有效（可提前終止）。

截至二零一八年十二月三十一日及至本報告日，無根據新購股權計劃授出之購股權。



Directors' Report

DIRECTORS

The Directors of the Company during the nine months ended 31 December 2018 and up to the date of this report were:

Executive Directors:

Ms. CHU Lam Yiu (*Chairlady and CEO*)
 Mr. XIA Liqun (*Vice Chairman*)
 Mr. POON Chiu Kwok (*Company Secretary*)
 Mr. XIONG Qing (*CFO*)
 Mr. LAM Ka Yu

Independent Non-executive Directors:

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

In accordance with Bye-law 87(1) and (2) of the Company's bye-laws, Ms. CHU Lam Yiu, Mr. XIA Liqun and Mr. LEE Luk Shiu shall retire by rotation at the forthcoming AGM and, all of them 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 35 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 nine months ended 31 December 2018 or at any time during the nine months period.

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.

董事會報告

董事

於二零一八年十二月三十一日止九個月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 (*副主席*)
 潘昭國先生 (*公司秘書*)
 熊卿先生 (*首席財務官*)
 林嘉宇先生

獨立非執行董事：

李祿兆先生
 麻雲燕女士
 丁寧寧博士
 胡志強先生

根據本公司之公司細則第87(1)及(2)條，朱林瑤女士、夏利群先生和李祿兆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35所披露者外，於二零一八年十二月三十一日止九個月完結或九個月內任何時間，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。



Directors' Report

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of directors and senior management as at 31 December 2018 are set out on pages 33 to 40 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 nine months ended 31 December 2018 are set out in Note 25 to the consolidated financial statements respectively.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 31 December 2018, 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:

Long position in ordinary shares of the Company

Name of Directors	Capacity	Number of issued Shares held 持有已發行股份數目	Percentage of the issued share capital 佔已發行股本百分比
董事姓名	身份		
CHU Lam Yiu 朱林瑤	Held through controlled corporations ^(Note) 透過受控制公司持有 ^(附註)	2,293,408,900	73.79%
XIONG Qing 熊卿	Beneficial Owner 權益擁有人	3,720,000	0.12%

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

Save as disclosed above, as at 31 December 2018, none of the Directors nor their close associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its subsidiaries or associated companies as defined in the SFO.

董事會報告

董事及高級管理層履歷

截至二零一八年十二月三十一日，董事及高級管理層的履歷載於年報第33頁至40頁。

董事及五名最高薪酬人士之酬金

於二零一八年十二月三十一日止九個月，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25。

董事於股份、相關股份及債券之權益

於二零一八年十二月三十一日，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：

本公司之普通股好倉

Name of Directors	Capacity	Number of issued Shares held 持有已發行股份數目	Percentage of the issued share capital 佔已發行股本百分比
董事姓名	身份		
CHU Lam Yiu 朱林瑤	Held through controlled corporations ^(Note) 透過受控制公司持有 ^(附註)	2,293,408,900	73.79%
XIONG Qing 熊卿	Beneficial Owner 權益擁有人	3,720,000	0.12%

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

除上文所披露者外，截至二零一八年十二月三十一日，概無任何董事或彼等之緊密聯繫人於本公司或其任何附屬公司或相聯法團（定義見證券及期貨條例）之任何股份、相關股份或債券中擁有任何權益或淡倉。



Directors' Report

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the nine months ended 31 December 2018 was the 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 nine months ended 31 December 2018 and up to the date of this report.

DIRECTORS' PERMITTED INDEMNITIES

Pursuant to the Bye-laws of the Company and subject to the relevant provisions therein, every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she may incur in or sustain by the execution of his/her duty as a director of the Company or otherwise in relation thereto. 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.

EQUITY-LINKED AGREEMENTS

Save as disclosed under the section headed "Share Option Scheme" above and Note 18 to the financial statements, no equity-linked agreement was entered into by the Company during the nine months ended 31 December 2018.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2018, other than the interests disclosed in the section headed "Directors' interests in shares, underlying shares and debentures", no substantial shareholders maintained by the Company held interests or short positions in 5% or more of the issued share capital of the Company under Section 336 of the SFO.

LOAN FACILITY WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER

On 17 August 2018, the Company entered into a facility agreement with a PRC bank for a loan of approximately RMB2,888 million for a term of 5 years.

董事會報告

董事認購股份或債券之權利

本公司或其任何附屬公司於二零一八年十二月三十一日止九個月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

概無於二零一八年十二月三十一日止九個月及至本報告日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。

董事允許的彌償保證

根據本公司的公司細則並受當中相關條文所規限，每名董事就執行其作為本公司董事之職務或與之相關的其他事宜而承擔或蒙受的所有訴訟、費用、收費、損失、賠償及開支均可獲得本公司以其資產及溢利作出彌償及保證免受損害。本公司已就董事及高級管理層，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。

股票掛鈎協議

除上文「購股權計劃」一節及財務報表附註18所披露外，本公司於截至二零一八年十二月三十一日止九個月內並無訂立股票掛鈎協議。

主要股東之權益

截至二零一八年十二月三十一日，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，本公司概無根據證券及期貨條例第336條存置持有本公司已發行股本5%或以上權益或淡倉之主要股東。

貸款協議載有關於控股股東須履行特定責任的條件

於二零一八年八月十七日，本公司與一家中國的銀行（「貸款人」）執行一項為期5年的融資協議，金額約人民幣28.88億元（「貸款融資」）。



Directors' Report

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

MAJOR CUSTOMERS AND SUPPLIERS

For the nine months ended 31 December 2018, the percentage of revenue from sales of goods or rendering services attributable to the Group's five largest customers combined accounted for approximately 35.94% and the largest customer contributed approximately 13.15% to the revenue from sales of goods or rendering services 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 24.50% and the largest supplier contributed approximately 13.65% 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, owned 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

The Group's continuing connected transactions are primarily classified based on the independent operation of the Group's business segments, i.e. Huabao Flavours is principally engaged in the flavours and fragrances business and the Remaining Group (including Guangdong, Jinye Group) is principally engaged in business segments of tobacco raw materials (including RTL and new materials products applicable to tobacco industry), aroma raw materials, condiment products and other segments.

In addition, to align with the change of the financial year end date of the Company from 31 March to 31 December, the Company had revised the annual caps of certain continuing connected transactions, such that the revised annual caps, to the extent possible, will cover the reporting period ending 31 December, which being the same financial year end date of the Company. Please refer to the announcement dated 15 January 2019 published by the Company for details.

董事會報告

根據上市規則第13.21條，由於有關融資協議仍然完全有效，有關融資須予披露。融資協議其中一項先決條件為，本公司的最終實益控股股東朱林瑤女士須承諾於貸款融資整個期限內須直接或間接維持彼於本公司的控股權。違反此承諾將構成違約事項，使貸款人有權，其中包括，要求本公司立即支付及／或償還貸款融資下之所有未償還餘額。

主要客戶及供貨商

截至二零一八年十二月三十一日止九個月，本集團五位最大客戶合計所佔本集團銷售貨品或提供服務的收入之百分比約為35.94%，而最大客戶則佔約為13.15%（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24.50%，而最大供應商則佔約為13.65%。

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

本集團的持續關連交易主要根據集團的獨立營運的業務板塊分類，即華寶股份主要從事香精業務，而餘下集團（包括廣東金葉集團）主要從事煙用原料（包括煙草薄片及適用於煙草行業的新材料產品）、香原料、調味產品及其他板塊的業務。

此外，為與本公司將財政年度結算日由三月三十一日變更為十二月三十一日保持一致，本公司已修訂若干持續關連交易的年度上限，以令經修訂年度上限將盡可能涵蓋截至十二月三十一日止報告期間，該日期與本公司的財政年度結算日一致。有關詳情，請參閱本公司於二零一九年一月十五日刊發的公告。



Directors' Report

Huabao Flavours is an indirect non-wholly owned subsidiary of the Company, while 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 regarded as connected persons at the subsidiary level of the Company under the Listing Rules. The Company, through its subsidiaries, indirectly owns 60% equity interest in Yunnan Tianhong. The remaining 40% equity interest in Yunnan Tianhong is held by Yunnan Hehe. Hongta Tobacco owns 75% equity interest in Yunnan Hehe. By virtue of such 40% interest in Yunnan Tianhong, Hongta Tobacco Group are regarded as connected persons at the subsidiary level of the Company under the Listing Rules. Transactions between each of Huabao Flavours Company and Guangdong Jinye Group with Hongta Tobacco Group constitute connected transactions of the Company under the Listing Rules.

Pursuant to the Hongta HB Flavours Framework Agreement entered into between Huabao Flavours and Yunnan Hehe on 26 May 2017 in relation to the provision of tobacco flavours products and related services by Huabao Flavours Company to Hongta Tobacco Group, the term of the Hongta HB Flavours Framework Agreement shall be for a term of 3 years from 1 April 2017 to 31 March 2020 (both days inclusive).

Pursuant to the Hongta JY Framework Agreement entered into between Guangdong Jinye and Yunnan Hehe on 26 May 2017 in relation to the provision of RTL, stem powder, auxillary materials and related services by Guangdong Jinye Group (except for Huabao Flavours Company) to Hongta Tobacco Group, the term of the Hongta JY Framework Agreement shall be for a term of 3 years from 1 April 2017 to 31 March 2020 (both days inclusive).

Pursuant to the HB Flavours Framework Agreement entered into between Huabao Flavours and Guangdong Tobacco on 1 March 2017 in relation to the provision of tobacco flavours products and related services by Huabao Flavours Company to Guangdong Tobacco Company, the term of the HB Flavours Framework Agreement shall be for a term of 3 years from 1 January 2017 to 31 December 2019 (both days inclusive).

Pursuant to the JY Framework Agreement entered into between Guangdong Jinye and Guangdong Tobacco on 1 March 2017 in relation to the provision of RTL products and related services by Guangdong Jinye Group (except for Huabao Flavours Company) to Guangdong Tobacco Company, the term of the JY Framework Agreement shall be for a term of 3 years from 1 January 2017 to 31 December 2019 (both days inclusive).

董事會報告

華寶股份為本公司的間接非全資附屬公司，而廣東金葉為本公司的間接全資附屬公司。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。根據上市規則，廣東中煙公司被視為本公司附屬公司層面的關連人士。本公司通過其子公司間接擁有雲南天宏60%股權。雲南天宏餘下40%股權由雲南合和持有。紅塔煙草擁有雲南合和75%的股權。根據上市規則，憑藉雲南天宏40%權益，紅塔煙草集團被視為本公司附屬公司的關連人士。根據上市規則，華寶股份與廣東金葉集團各自與紅塔煙草集團之間的交易構成本公司的關連交易。

根據華寶股份於二零一七年五月二十六日與雲南合和訂立紅塔華寶股份框架協議，內容有關華寶股份向紅塔煙草集團提供煙用香精產品及相關服務。紅塔華寶股份框架協議的年期由二零一七年四月一日起至二零二零年三月三十一日止（包括首尾兩日），為期三年。

廣東金葉於二零一七年五月二十六日與雲南合和訂立紅塔金葉框架協議，內容有關廣東金葉集團（華寶股份除外）向紅塔煙草集團提供煙草薄片、梗粒及煙用輔料等產品及相關服務。紅塔金葉框架協議的年期由二零一七年四月一日起至二零二零年三月三十一日止（包括首尾兩日），為期三年。

華寶股份於二零一七年三月一日與廣東中煙訂立華寶股份框架協議，內容有關華寶股份向廣東中煙公司提供煙用香精產品及相關服務。華寶股份框架協議的年期由二零一七年一月一日起至二零一九年十二月三十一日止（包括首尾兩日），為期三年。

廣東金葉於二零一七年三月一日與廣東中煙訂立金葉框架協議，內容有關廣東金葉集團（華寶股份除外）向廣東中煙公司提供煙草薄片產品及相關服務。金葉框架協議的年期由二零一七年一月一日起至二零一九年十二月三十一日止（包括首尾兩日），為期三年。



Directors' Report

Pursuant to the JK Framework Agreement entered into between Guangdong Jinke and Guangdong Tobacco on 1 March 2017 in relation to the provision of auxiliary materials and related services by Guangdong Jinye Group (except for Huabao Flavours Company) to Guangdong Tobacco Company, the term of the JK Framework Agreement shall be for a term of 3 years from 1 January 2017 to 31 December 2019 (both days inclusive).

The annual caps for the continuing connected transactions with Hongta Tobacco Group and Guangdong Tobacco Company are revised as follows:

董事會報告

廣東金科於二零一七年三月一日與廣東中煙訂立金科框架協議，內容有關廣東金葉集團（華寶股份公司除外）向廣東中煙公司提供煙用輔料及相關服務。金科框架協議的年期由二零一七年一月一日起至二零一九年十二月三十一日止（包括首尾兩日），為期三年。

與紅塔煙草集團及廣東中煙公司進行的持續關連交易的年度上限經修訂如下：

	Aggregate Transaction Amount 累計交易金額		
	for the nine months period from 1 April 2018 to 31 December 2018 (RMB) 由二零一八年 四月一日起至 二零一八年 十二月三十一 日止九個月期間 (人民幣)	for the financial year ending 31 December 2019 (RMB) 截至 二零一九年 十二月三十一 止財政年度 (人民幣)	for the three months period from 1 January 2020 to 31 March 2020 (RMB) 由二零二零年 一月一日起至 二零二零年 三月三十一 止三個月間 (人民幣)
Hongta HB Flavours Framework Agreement 紅塔華寶股份框架協議	13,600,000	26,350,000	6,600,000
Hongta JY Framework Agreement 紅塔金葉框架協議	80,100,000	155,000,000	40,000,000
HB Flavours Framework Agreement 華寶股份框架協議	85,400,000	120,000,000	N/A 不適用
JY Framework Agreement 金葉框架協議	46,450,000	110,000,000	N/A 不適用
JK Framework Agreement 金科框架協議	6,270,000	34,000,000	N/A 不適用

For the nine months ended 31 December 2018, the actual transaction amount under the Hongta HB Flavours Framework Agreement, the Hongta JY Framework Agreement, the HB Flavours Framework Agreement, the JY Framework Agreement and the JK Framework Agreement was RMB13,574,238, RMB80,049,605, RMB85,362,363, RMB46,421,701 and RMB6,264,923, respectively.

截至二零一八年十二月三十一日止九個月，紅塔華寶股份框架協議、紅塔金葉框架協議、華寶股份框架協議、金葉框架協議及金科框架協議的實際交易金額分別為人民幣13,574,238元、人民幣80,049,605元、人民幣85,362,363元、人民幣46,421,701元及人民幣6,264,923元。



Directors' Report

Annual review of continuing connected transactions

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

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) in accordance with the relevant agreements governing them on terms that 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 abovementioned continuing connected transactions for the nine months ended 31 December 2018 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 nine months ended 31 December 2018 are set out in Note 35 to the consolidated financial statements. None of these related party transactions constitutes a disclosable 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 nine months ended 31 December 2018, the Company bought back a total of 126,000 ordinary shares of HK\$0.10 per Share on the Hong Kong Stock Exchange at an aggregate consideration of approximately HK\$402,070 (excluding transaction costs) with internal resources. All Shares bought back were subsequently cancelled on 14 January 2019. The issued share capital of the Company comprised 3,107,836,876 shares after the above bought back.

董事會報告

持續關連交易的年度審議

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持續關連交易乃：

- (i) 屬本集團的一般及日常業務；
- (ii) 是按照一般商務條款或更佳條款進行；及
- (iii) 是根據有關交易的協議進行，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截至二零一八年十二月三十一日止九個月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香港聯交所。

關聯人士交易

本集團於截至二零一八年十二月三十一日止九個月內訂立之重大關聯人士交易詳情載於綜合財務報表附註35。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

截至二零一八年十二月三十一日止九個月內，本公司以內部資源於香港聯交所回購共126,000股每股面值港幣0.10元之普通股，累計代價約為港幣402,070元（不含交易成本）。所有已回購股份已隨後於二零一九年一月十四日被註銷。本公司之已發行股份於上述之回購後為3,107,836,876股。



Directors' Report

Details of Shares bought back during the nine months ended 31 December 2018 are set out as follows:

Month/Year	年份/月份	No. of shares Repurchased 購回 股份數目	Highest price paid per share (HK\$) 所支付的 最高每股價格港幣	Lowest price paid per share (HK\$) 所支付的 最低每股價格港幣	Aggregate consideration paid 所支付的 價格總額
December 2018	二零一八年十二月	126,000	3.20	3.15	HK\$402,070
Total	總計:	126,000			HK\$402,070

The Directors believe that the bought-back set out above would enhance the net asset value per Share and/or earnings per Share of the Company.

Save as disclosed, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2018.

CORPORATE GOVERNANCE

Details of the Group's corporate governance practices are set out in the Corporate Governance Report on pages 41 to 60 of the annual report.

LEGAL PROCEEDINGS

As at 31 December 2018, 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.

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 nine months ended 31 December 2018 and up to the date of this report as required under the Listing Rules.

AUDITORS

The consolidated financial statements for the nine months ended 31 December 2018 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
Chairlady and CEO

Hong Kong, 12 March 2019

董事會報告

截至二零一八年十二月三十一日止九個月內回購股份的詳情如下：

Month/Year	年份/月份	No. of shares Repurchased 購回 股份數目	Highest price paid per share (HK\$) 所支付的 最高每股價格港幣	Lowest price paid per share (HK\$) 所支付的 最低每股價格港幣	Aggregate consideration paid 所支付的 價格總額
December 2018	二零一八年十二月	126,000	3.20	3.15	HK\$402,070
Total	總計:	126,000			HK\$402,070

董事相信，回購股份乃符合本公司及其股東之最佳利益，並可提高本公司每股資產淨值及每股盈利。

除上文所披露者外，本公司或其任何附屬公司於截至二零一八年十二月三十一日止九個月內概無購買、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41頁至60頁之企業管治報告。

法律訴訟

截至二零一八年十二月三十一日，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。

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，於截至二零一八年十二月三十一日止九個月及截至本報告日，本公司已維持上市規則所規定之公眾持股量。

核數師

截至二零一八年十二月三十一日止九個月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，二零一九年三月十二日

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

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)

OPINION

What we have audited

The consolidated financial statements of Huabao International Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 90 to 219, which comprise:

- the consolidated statement of financial position as at 31 December 2018;
- the consolidated income statement for the nine months ended 31 December 2018;
- the consolidated statement of comprehensive income for the nine months ended 31 December 2018;
- the consolidated statement of changes in equity for the nine months ended 31 December 2018;
- the consolidated statement of cash flows for the nine months ended 31 December 2018; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the nine months ended 31 December 2018 in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

意見

我們已審計的內容

華寶國際控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第90至219頁的綜合財務報表,包括:

- 於二零一八年十二月三十一日的綜合財務狀況表;
- 截至二零一八年十二月三十一日止九個月期間的綜合收益表;
- 截至二零一八年十二月三十一日止九個月期間的綜合全面收益表;
- 截至二零一八年十二月三十一日止九個月期間的綜合權益變動表;
- 截至二零一八年十二月三十一日止九個月期間的綜合現金流量表及
- 綜合財務報表附註,包括主要會計政策概要。

我們的意見

我們認為,該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一八年十二月三十一日的綜合財務狀況及其截至該日止九個月期間的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露規定妥為擬備。

Independent Auditor's Report

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

獨立核數師報告

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告核數師就審計綜合財務報表承擔的責任部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒布的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。



Independent Auditor's Report

獨立核數師報告

Key audit matters identified in our audit are summarised as follows:

- Fair value assessment of the identifiable net assets relating to the acquisition and recognition of goodwill
- Impairment of goodwill

我們在審計中識別的關鍵審計事項概述如下：

- 與收購相關的可辨認淨資產公允價值評估及商譽確認
- 商譽減值

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Fair value assessment of the identifiable net assets relating to the acquisition and recognition of goodwill</p> <p>As further explained in Note 31 (Business combinations) to the consolidated financial statements, on 4 September 2018 (the "Acquisition Date"), the Group completed acquisition of Jiahao Foodstuff Limited and its subsidiaries ("Jiahao Foodstuff"), which are principally engaged in the production, sales, marketing and distribution of condiment products in the People's Republic of China, for a cash consideration of approximately USD695,985,000 (equivalent to approximately RMB4,745,437,000). After that, the Group held 100% equity interests of Jiahao Foodstuff, which were consolidated by the Group from the Acquisition Date. Fair value of identifiable net assets of RMB1,109,887,000 and goodwill (the difference between the consideration paid for the acquisition and the fair value of the identifiable net assets) of RMB3,635,550,000 were recognised. The increase of fair value of the identifiable net assets of Jiahao Foodstuff from its carrying amount mainly represents the recognition and valuation of intangible assets, such as trademarks and customer relationship.</p>	<p>Regarding the fair value assessment of identifiable net assets relating to the acquisition and recognition of goodwill, we performed the procedures as follows:</p> <ul style="list-style-type: none"> - We assessed the competency, objectivity and independence of the external valuer used by management. - We used our in-house experts to assist us in evaluating the appropriateness of the valuation methodologies used in determining the fair values of the net assets. - We discussed with management and external valuer, assessed the reasonableness of the key assumptions used by the external valuer such as forecast and terminal growth rate, budgeted gross margin by comparing these assumptions against historical data of Jiahao Foodstuff, relevant market data and industry research.

關鍵審計事項	我們的審計如何處理關鍵審計事項
<p>與收購相關的可辨認淨資產公允價值評估及商譽確認</p> <p>如綜合財務報表附注31（業務合併）所述，於二零一八年九月四日（即「購買日」），貴集團以約美元695,985,000（約等於人民幣4,745,437,000元）的收購價格完成對嘉豪食品有限公司及其附屬公司（「嘉豪食品」）的收購，嘉豪食品主要在中華人民共和國生產、銷售、營銷與配送調味品。於購買日後，貴集團持有嘉豪食品100%的股權，並將嘉豪食品納入合併範圍，並按照購買日公允價值確認可辨認淨資產人民幣1,109,887,000元，確認商譽（收購對價與可辨認淨資產公允價值的差額）人民幣3,635,550,000元。購買日嘉豪食品的可辨認淨資產公允價值較其原帳面價值的增加主要來源於無形資產的確認和估值，包括商標和客戶關係。</p>	<p>就與收購相關的可辨認淨資產公允價值評估及商譽確認，我們執行了以下程序：</p> <ul style="list-style-type: none"> - 我們評估了管理層委聘的獨立評估師的勝任能力、客觀性及獨立性。 - 我們使用內部專家協助我們評估確認淨資產公允價值時使用的評估方法的適當性。 - 通過與管理層和外部評估師的訪談，通過與嘉豪食品的歷史數據、相關的市場數據和行業研究進行對比，我們評估了外部評估師使用的關鍵假設的合理性，例如預測銷售增長率、永續年增長率和預測毛利率。



Independent Auditor's Report

獨立核數師報告

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Management has engaged an independent valuer to assist in identifying the intangible assets and perform valuation of the identifiable assets and liabilities.</p> <p>Significant management judgements were involved in the fair value assessment of identifiable assets and liabilities, particularly in identifying and valuation of intangible assets (such as the valuation methodology and underlying assumptions of the valuation of purchase price allocation, including the forecast and terminal growth rate, budgeted gross margin and discount rate), which have impact on the recognition of goodwill. We considered this area as a key audit matter because the reasonableness of the above mentioned judgements and assumptions had a significant impact on the fair value of the identified net assets and recognition of goodwill.</p>	<ul style="list-style-type: none"> - We cross checked the parameters adopted in the discount rate calculation (including risk free rate, beta, market risk premium, etc) with third party sources. We also cross checked the calculation result by using independent expectations of discount rate model and assumptions. - We tested the mathematical accuracy of the calculation of fair values of intangible assets, identified net assets and goodwill. - We reviewed the business development plan to evaluate the synergies achieved by the Group in the acquisition and reassessed the overall reasonableness of goodwill recognised in the acquisition. <p>As a result of performing our work, we found the management's estimates and judgements used in the acquisition to be supported by the available evidence.</p>

關鍵審計事項	我們的審計如何處理關鍵審計事項
<p>管理層委聘獨立評估師協助識別無形資產以及評估各項可辨認資產和負債的公允價值。</p> <p>可辨認資產和負債的公允價值評估涉及重大管理層判斷，尤其是確認和評估無形資產（例如購買價分配估值的估值方法和相關假設，包括預測銷售增長率、永續年增長率、預計毛利率和貼現率），從而影響商譽的確認。我們認為這是一個關鍵審計事項，因為上述提及的判斷和假設的合理性對可辨認淨資產的公允價值和商譽的確認有重大的影響。</p>	<ul style="list-style-type: none"> - 我們與第三方資料來源交叉核對了計算貼現率時採用的參數（包括無風險利率、β、市場風險溢價），通過使用獨立的貼現率模型和假設，我們也交叉核對了計算結果。 - 我們測算了計算無形資產和可辨認淨資產的公允價值以及商譽的數值準確性。 - 我們覆核了商業發展計畫，評估了該收購產生的協同效應並在再次評估了該收購中商譽確認的整體合理性。 <p>根據已執行的審計程序，我們發現管理層在可辨認淨資產公允價值評估及商譽確認中採用的方法和關鍵假設能夠被我們取得的審計證據支援。</p>

Independent Auditor's Report

獨立核數師報告

Key Audit Matter	How our audit addressed the Key Audit Matter	關鍵審計事項	我們的審計如何處理關鍵審計事項
<p>Impairment of goodwill</p> <p>Refer to Note 5 (Critical accounting estimates and judgments) and Note 9 (Intangible assets) to the consolidated financial statements, as at 31 December 2018, the Group had material goodwill balance amounting to RMB5,867,509,000 arose from acquisitions during the period and previous years, which was allocated to the Group's cash-generating units ("CGUs"). No impairment was recognised in current period.</p> <p>Management tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.9. The recoverable amount of CGUs has been determined based on value-in-use calculation.</p> <p>Management concluded that, based on their assessment, no additional impairment loss was considered necessary for all CGUs in current period.</p> <p>We focused on these balances because the determination of whether or not an impairment charge was necessary involved significant judgements about the future results of the business. Management's impairment assessment involves significant estimation, and budgeted gross margin, estimated pre-tax discount rate and forecast and terminal growth rates are considered to be the key assumptions.</p>	<p>Our procedures in relation to management's impairment assessment of goodwill included:</p> <ul style="list-style-type: none"> - We used our in-house experts to assist us in evaluating the appropriateness of value-in-use calculation methodology adopted by management. - We tested the mathematical accuracy of the underlying value-in-use calculation. - We also evaluated the historical accuracy of the plan and forecast by, for example, comparing the forecast used in the prior year model to the actual performance of the business in the current year. - We discussed with management and evaluated the underlying key assumptions of budgeted gross margin and forecast and terminal growth rates used in the cash flow forecast taking into account market developments. - We evaluated and recalculated the pre-tax discount rate used in the calculation by comparing with the industry or market data. <p>As a result of performing our work, we found the management's estimates and judgements used in the impairment assessment to be supported by the available evidence.</p>	<p>商譽減值</p> <p>如綜合財務報表附註5 (關鍵會計估計及判斷)和附註9 (無形資產)所述, 貴集團於二零一八年十二月三十一日, 於以前年度和本期收購產生的商譽的賬面值為人民幣5,867,509,000元, 被分配至貴集團的現金產生單位。本期沒有確認商譽減值。</p> <p>管理層根據附註2.9所述的會計政策每年測試商譽是否導致任何減值。現金產生單元的可回收金額已根據使用價值計算釐定。</p> <p>管理層根據評估的結果, 認為所有現金產生單位於本期間無需計提額外減值。</p> <p>我們關注這些餘額是因為商譽是否需要計提減值的釐定涉及對未來經營情況的重大判斷。管理層的商譽減值評估涉及重大判斷, 其中預測毛利率、稅前貼現率、預測銷售增長率及永續年增長率被視為關鍵假設。</p>	<p>我們就管理層商譽減值評估進行的程式包括:</p> <ul style="list-style-type: none"> - 我們使用內部專家協助我們評估管理層採用的計算方法的適當性。 - 我們測試了使用價值計算過程中的數值準確性。 - 我們亦評估了計劃和預測的歷史準確性, 例如, 比較前一年模型的預測與本年度業務的實際表現。 - 我們與管理層在考慮市場發展的情況下, 討論並評估了現金流量預測所使用的預測毛利率, 預測銷售增長率及永續年增長率的基本關鍵假設。 - 我們通過比較行業或市場數據, 評估及重新計算於計算時所用的稅前貼現率。 <p>經過上述工作, 我們發現管理層對減值評估的判斷及估計可獲得證據支援。</p>

Independent Auditor's Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, 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.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

獨立核數師報告

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審計委員會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布的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審計委員會須負責監督貴集團的財務報告過程。



Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照百慕達一九八一年《公司法》第90條向閣下（作為整體）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。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和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，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。



Independent Auditor's Report

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

獨立核數師報告

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。



Independent Auditor's Report

獨立核數師報告

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Lam Sung Wan.

從與審計委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是林崇雲。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 12 March 2019

羅兵咸永道會計師事務所
執業會計師

香港，二零一九年三月十二日



Consolidated Statement of Financial Position 綜合財務狀況表

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

	Note	As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
	附註		
ASSETS			
Non-current assets			
Property, plant and equipment	7	1,244,569	1,006,425
Land use rights	8	187,310	171,856
Intangible assets	9	6,899,997	2,531,828
Investments in associates	10	396,685	371,444
Investment in a jointly controlled entity	11	7,085	5,100
Financial assets at fair value through other comprehensive income			
其變動計入其他綜合收益之金融資產	12	159,197	–
可供出售金融資產	12	–	80,672
遞延所得稅資產	13	111,593	80,346
其他非流動資產		15,874	16,144
		9,022,310	4,263,815
Current assets			
Inventories	14	896,243	766,005
Trade and other receivables	15	1,540,188	1,456,484
Financial assets at fair value through profit or loss			
計入損益之金融資產	16	574,298	–
可供出售金融資產	16	–	102,000
Short-term time deposits	17	1,606,790	1,076,955
Cash and cash equivalents	17	5,535,601	6,635,651
		10,153,120	10,037,095
Total assets		19,175,430	14,300,910
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	18	318,647	318,647
Reserves	19	2,571,885	2,343,573
Retained earnings	20	8,863,604	8,601,342
		11,754,136	11,263,562
Non-controlling interests		1,991,282	1,854,775
Total equity		13,745,418	13,118,337
LIABILITIES			
Non-current liabilities			
Borrowings	21	2,756,438	–
Deferred income tax liabilities	13	254,520	81,386
Trade and other payables	22	800	25,326
		3,011,758	106,712
Current liabilities			
Borrowings	21	933,701	210,000
Trade and other payables	22	996,866	657,949
Current income tax liabilities		264,598	207,912
Contract liabilities	6	223,089	–
		2,418,254	1,075,861
Total liabilities		5,430,012	1,182,573
Total equity and liabilities		19,175,430	14,300,910

The notes on pages 95 to 219 are an integral part of these consolidated financial statements.

第95至219頁的附註為本綜合財務報表的整體部份。

Ms. CHU Lam Yiu
朱林瑤女士
Chairlady
主席

Mr. Xiong Qing
熊卿先生
Director
董事

Consolidated Income Statement

綜合收益表

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

			Nine months ended 31 December 2018 截至二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至二零一八年 三月三十一日 止年度 (Restated) (經重列)
Continuing operations:	持續經營業務：			
Revenue	營業額	6	3,058,707	3,628,116
Cost of goods sold	銷售成本	24	(1,108,902)	(1,164,189)
Gross profit	毛利		1,949,805	2,463,927
Other income and other gains – net	其他收入及其他收益—淨額	23	122,323	195,388
Selling and marketing expenses	銷售及市場推廣開支	24	(208,417)	(186,623)
Administrative expenses	行政費用	24	(574,345)	(721,259)
Net impairment losses on financial assets	金融資產減值損失淨額		(1,616)	(19,289)
Operating profit	營運盈利		1,287,750	1,732,144
Finance income	財務收入		154,344	122,755
Finance costs	融資成本		(76,913)	(3,578)
Finance income – net	財務收入—淨額	26	77,431	119,177
Share of profit of associates and a jointly controlled entity	應佔聯營公司及共同控制實體之盈利	10, 11	9,776	8,232
Profit before income tax	除稅前盈利		1,374,957	1,859,553
Income tax expense	所得稅	27	(320,805)	(349,687)
Profit from continuing operations for the period/year	持續經營業務之本期間／年度盈利		1,054,152	1,509,866
Discontinued operation:	終止經營業務：			
Profit/(loss) from discontinued operation for the period/year	終止經營業務之本期間／年度盈利／(虧損)	28	136,839	(113,746)
Profit for the period/year	本期間／年度盈利		1,190,991	1,396,120
Attributable to:	應佔：			
Equity holders of the Company	本公司權益持有人		1,017,959	1,263,797
Non-controlling interests	非控制性權益		173,032	132,323
			1,190,991	1,396,120
Earnings/(loss) per share for profit from continuing operations and discontinued operation attributable to the Company's equity holders for the period/year	本期間／年度本公司權益持有人應佔持續經營及終止經營業務的每股盈利／(虧損)		RMB cents 人民幣分	RMB cents 人民幣分
Basic and diluted:	基本及攤薄：			
Continuing operations	持續經營業務	29	27.78	43.22
Discontinued operation	終止經營業務	29	4.97	(2.56)
			32.75	40.66

The notes on pages 95 to 219 are an integral part of these consolidated financial statements.

第95至219頁的附註為本綜合財務報表的整體部份。

Consolidated Statement of Comprehensive Income

(All amounts in RMB thousands unless otherwise stated)

綜合全面收益表

(除另有指明者外，所有金額均以人民幣千元列示)

		Nine months ended 31 December 2018 截至 二零一八年 十二月 三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月 三十一日 止年度 (Restated) (經重列)
Profit for the period/year	期間／年度盈利	1,190,991	1,396,120
Other comprehensive income:	其他全面收益：		
<i>Items that will not be reclassified to profit or loss</i>	<i>不可重新分類至損益的項目</i>		
Fair value changes of equity investments at fair value through other comprehensive income, net of tax	以公允價值計量且其變動計入其他綜合收益之金融資產之除稅後公允價值變動	26,408	-
<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 of available-for-sale financial assets, net of tax	可供出售金融資產之除稅後公允價值變動	-	(39,458)
Currency translation differences on foreign operations	海外業務之貨幣換算差額	103,365	(142,588)
Release of exchange reserve upon disposal of a subsidiary	出售附屬公司後釋放之外匯儲備	29,519	-
Other comprehensive income/(loss) for the period/year, net of tax	本期間／年度除稅後其他全面收益／(虧損)	159,292	(182,046)
Total comprehensive income for the period/year, net of tax	本期間／年度除稅後全面收益總額	1,350,283	1,214,074
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	1,171,899	1,088,980
Non-controlling interests	非控制性權益	178,384	125,094
		1,350,283	1,214,074
Total comprehensive income attributable to equity holders of the Company arises from:	本公司權益持有人應佔全面收益總額來自：		
Continuing operations	持續經營業務	1,017,430	1,167,590
Discontinued operation	終止經營業務	154,469	(78,610)
		1,171,899	1,088,980

The notes on pages 95 to 219 are an integral part of these consolidated financial statements.

第95至219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 RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

	Note 附註	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 2017		318,647	979,764	8,528,166	9,826,577	780,335	10,606,912	
Fair value changes on available-for-sale financial assets, net of tax	19	-	(39,458)	-	(39,458)	-	(39,458)	
Currency translation differences		-	(135,359)	-	(135,359)	(7,229)	(142,588)	
Profit for the year		-	-	1,263,797	1,263,797	132,323	1,396,120	
Total comprehensive income for the year ended 31 March 2018		-	(174,817)	1,263,797	1,088,980	125,094	1,214,074	
Transactions with owners in their capacity as owners:								
Appropriations from net profit	19, 20	-	193,243	(193,243)	-	-	-	
Dividends paid to non-controlling interests		-	-	-	-	(20,954)	(20,954)	
Issue of new shares to non-controlling interests of Huabao Flavours & Fragrances Co., Ltd ("Huabao Flavours")		-	1,345,861	-	1,345,861	965,981	2,311,842	
Additional investment in non-wholly owned subsidiaries		-	(478)	-	(478)	(272)	(750)	
Acquisition of equity interest in Jiangxi Xianghai Biological Technology Co., Ltd ("Jiangxi Xianghai")		-	-	-	-	616	616	
Capital injection from non-controlling interests		-	-	-	-	3,975	3,975	
Final dividends for the year ended 31 March 2017 paid to shareholders	20	-	-	(576,800)	(576,800)	-	(576,800)	
Interim and special dividends for the six months ended 30 September 2017 paid to shareholders	20	-	-	(420,578)	(420,578)	-	(420,578)	
Total transactions with owners		-	1,538,626	(1,190,621)	348,005	949,346	1,297,351	
Balance at 31 March 2018		318,647	2,343,573	8,601,342	11,263,562	1,854,775	13,118,337	
Balance at 1 April 2018		318,647	2,343,573	8,601,342	11,263,562	1,854,775	13,118,337	
Fair value changes on financial assets at fair value through other comprehensive income, net of tax	19	-	26,408	-	26,408	-	26,408	
Currency translation differences		-	98,013	-	98,013	5,352	103,365	
Release of exchange reserve upon disposal of a subsidiary		-	29,519	-	29,519	-	29,519	
Profit for the period		-	-	1,017,959	1,017,959	173,032	1,190,991	
Total comprehensive income for the nine months ended 31 December 2018		-	153,940	1,017,959	1,171,899	178,384	1,350,283	
Transactions with owners in their capacity as owners:								
Appropriations from net profit	19, 20	-	74,372	(74,372)	-	-	-	
Dividends paid to non-controlling interests		-	-	-	-	(39,623)	(39,623)	
Acquisition of equity interest in Hunan Jishou Minzu Materials Co., Ltd ("Hunan Jishou")	31	-	-	-	-	1,750	1,750	
Disposal of a subsidiary	32	-	-	-	-	(5,804)	(5,804)	
Capital injection from non-controlling interests		-	-	-	-	1,800	1,800	
Repurchase of shares	18	-	-	(352)	(352)	-	(352)	
Final dividends for the year ended 31 March 2018 paid to shareholders	20	-	-	(405,353)	(405,353)	-	(405,353)	
Interim dividends for the six months ended 30 September 2018 payable to shareholders	20	-	-	(275,620)	(275,620)	-	(275,620)	
Total transactions with owners		-	74,372	(755,697)	(681,325)	(41,877)	(723,202)	
Balance at 31 December 2018		318,647	2,571,885	8,863,604	11,754,136	1,991,282	13,745,418	

The notes on pages 95 to 219 are an integral part of these consolidated financial statements.

第95至219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 RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

	Note	Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度
	附註		
Cash flows from operating activities			
Cash generated from operations	33	1,475,538	1,850,302
Income tax paid		(242,632)	(311,640)
Net cash generated from operating activities		1,232,906	1,538,662
Cash flows from investing activities			
Acquisition of subsidiaries	31	(4,591,054)	(22,346)
Proceeds from disposal of subsidiaries	32	207,146	-
Acquisition of an associate		(17,450)	-
Purchases of financial assets at fair value through other comprehensive income		(48,331)	-
Purchases of financial assets at fair value through profit or loss		(579,660)	-
Purchases of available-for-sale financial assets		-	(470,893)
Proceeds from disposal of financial assets at fair value through profit or loss		293,922	-
Proceeds from disposal of available-for-sale financial assets		-	468,880
Purchases of property, plant and equipment, land use rights and intangible assets		(265,114)	(130,916)
Proceeds from disposal of property, plant and equipment	33	5,694	7,739
Short-term time deposits placed		(529,835)	(352,807)
Dividend received		10,161	13,489
Interest received		138,843	110,091
Net cash used in investing activities		(5,375,678)	(376,763)
Cash flows from financing activities			
Dividends paid to shareholders		(405,353)	(997,378)
Dividends paid to non-controlling interests		(39,623)	(23,205)
Capital contributions from non-controlling interests		1,800	2,315,817
Acquisition of additional interests in a subsidiary from non-controlling interests		-	(750)
New bank borrowings		3,580,389	210,000
Repayment of short-term bank borrowings		(100,250)	(75,500)
Repurchase of shares		(352)	-
Interest paid		(95,999)	(16,879)
Net cash generated from financing activities		2,940,612	1,412,105
Net (decrease)/increase in cash and cash equivalents		(1,202,160)	2,574,004
Cash and cash equivalents at the beginning of the period/year		6,635,651	4,177,807
Effects of currency translation on cash and cash equivalents		102,110	(116,160)
Cash and cash equivalents at the end of the period/year	17	5,535,601	6,635,651

The notes on pages 95 to 219 are an integral part of these consolidated financial statements.

第95至219頁的附註為本綜合財務報表的整體部份。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

1. GENERAL INFORMATION

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

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

The Company is an investment holding company. The Company and its subsidiaries (collectively the “Group”) are mainly engaged in the research and development, production, distribution and sale of flavours and fragrances, tobacco raw materials, aroma raw materials and condiment products in the People’s Republic of China (the “PRC”). Ms. Chu Lam Yiu (“Ms. Chu”), who is the Chairlady of the Board of Directors, holds approximately 74% beneficial equity interest in the Company as at 31 December 2018.

On 4 September 2018, the Group completed the acquisition of 100% equity interest in Jiahao Foodstuff Limited and its subsidiaries (“Jiahao Foodstuff”), for a consideration of USD695,985,000 (equivalent to approximately RMB4,745,437,000). Jiahao Foodstuff were principally engaged in the production, sales, marketing and distribution of condiment products predominantly to restaurants in China. Further details are set out in Note 31.

On 2 October 2018 (Florida time), VMR Products LLC (“VMR Products”), a non-wholly owned subsidiary of the Group, entered into a disposal agreement with JUUL Labs, Inc and its subsidiary to effect the disposal of all of the issued and outstanding units of VMR Products. The Group has approximately 62.7% indirect interest of the issued and outstanding units of VMR Products. The consideration of the disposal was approximately USD31,352,000 (equivalent to approximately RMB215,679,000). VMR Products was engaged in the design, production, assembly, integration, marketing, sale and distribution of electronic cigarettes, independent from other segments of the Group, of which related results were presented as discontinued operations, and the comparative figures are restated accordingly. Further details are set out in Note 28.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

1. 一般資料

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

本公司的股份主要於香港聯合交易所有限公司上市。

本公司為投資控股公司。本公司及其附屬公司(「本集團»)之業務主要在中華人民共和國(「中國»)研究及發展、生產、分銷及銷售香精、煙用原料、香原料及調味品產品。朱林瑤女士(「朱女士»)乃本公司之董事局主席，於二零一八年十二月三十一日，朱女士持有本公司約74%之權益。

於二零一八年九月四日，本集團完成收購嘉豪食品有限公司及其附屬公司(「嘉豪食品»)之100%股權，收價代價約為美元695,985,000(相等於約人民幣4,745,437,000元)。嘉豪食品主要從事生產、銷售、營銷及分銷調味品產品，主要面向中國的餐館。詳情載於綜合財務報表附註31。

於二零一八年十月二日(佛羅里達時間)，本集團之非全資附屬公司VMR Products LLC(「VMR Products»)與JUUL Labs, Inc.及其子公司等簽訂協議，以出售VMR Products之全部已發行及未行使單位。本集團間接持有VMR Products已發行及尚未行使單位之62.7%權益，出售代價約為美元31,352,000(相等於約人民幣215,679,000元)。VMR Products主要從事設計、生產、組裝、整合、推廣、銷售及分銷電子煙，其業務獨立於本集團其他業務分部。VMR Products於本期間之業績於綜合收益表呈列為終止經營業務，其比較數字已經重列，詳情載於綜合財務報表附註28。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

1. GENERAL INFORMATION (CONTINUED)

On 11 December 2018, the Board of Directors of the Company announced that the financial year end date of the Company has been changed from 31 March to 31 December commencing from the financial period ended 31 December 2018 to align the Company's financial year end date with that of the Group's PRC subsidiaries. Accordingly, the current financial period covers nine months from 1 April 2018 to 31 December 2018, and thereby the figures of the comparative periods are not directly comparable.

These consolidated financial statements are presented in thousands of units of RMB ("RMB'000") unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 12 March 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the period/years presented, unless otherwise stated. The financial statements are for the Group.

2.1 Basis of preparation

(i) Compliance with HKFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") and requirements of the Hong Kong Companies Ordinance Cap.622.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income ("FVOCI") and financial assets at fair value through profit or loss ("FVPL"), which are carried at fair value.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

1. 一般資料 (續)

於二零一八年十二月十一日，本公司宣佈將其財政年度結算日由三月三十一日變更為十二月三十一日，以與本集團於中國註冊成立之子公司財政年度結算日一致，並自截至二零一八年十二月三十一日止財政期間生效。因此，本財政年度涵蓋二零一八年四月一日至二零一八年十二月三十一日止九個月期間，與比較期間數據不完全可比。

本綜合財務報表除另有說明者外，均以人民幣千元（「人民幣千元」）列示。本綜合財務報表已於二零一九年三月十二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期間／年度內貫徹應用。本綜合財務報表為集團報告。

2.1 編製基準

(i) 遵守香港財務報告準則及香港公司條例

本集團的綜合財務報表乃根據所有適用的香港財務報告準則（「香港財務報告準則」）及香港公司條例第622章的規定編制。

(ii) 歷史成本法

本公司綜合財務報表乃按歷史成本法編制，且就重新計量之以公允價值計量且其變動計入其他全面收益的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按公允價值列賬而作出修訂。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(iii) *New and amended standards adopted by the Group*

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 April 2018:

- HKFRS 9 'Financial Instruments'
- HKFRS 15 'Revenue from Contracts' with Customers
- 'Classification and Measurement of Share-based Payment Transactions' – Amendments to HKFRS 2
- Annual Improvements 2014-2016 cycle
- 'Transfers to Investment Property' – Amendments to HKAS 40
- Interpretation 22 'Foreign Currency Transactions and Advance Consideration'

The Group had to change its accounting policies and make modified retrospective adjustments as a result of adopting HKFRS 9 and HKFRS 15. The impact of the adoption of these two standards are disclosed in Note 3 and the new accounting policies adopted are set out in Note 2.11 and Note 2.23 below. Most of the other amendments listed above did not have significant impact on the operating results and financial position for the nine months ended 31 December 2018 or any prior period and is not likely to affect future periods.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.1 編製基準 (續)

(iii) *本集團已採納的新訂和已修改的準則*

本集團於二零一八年四月一日開始的報告期間首次採納下列準則及修訂本：

- 香港財務報告準則第9號「金融工具」
- 香港財務報告準則第15號「客戶合約收入」
- 香港財務報告準則第2號(修訂本)「以股份為基礎支付的交易的分類及計量」
- 2014年至2016年週期之年度改進
- 香港會計準則第40號(修訂本) – 「轉換投資物業」
- 詮釋第22號「外幣交易及預付代價」

由於採納香港財務報告準則第9號及香港財務報告準則第15號，本集團須更改其會計政策及作出經修訂的追溯調整。採納該兩項準則的影響於附註3披露，而採納的新會計政策載於下文附註2.11及附註2.23。採納以上修訂並無對本集團截至二零一八年十二月三十一日止九個月期間，以前年度及未來期間的經營業績及財務狀況造成任何重大影響。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(iv) *New standards and interpretations not yet adopted*

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

HKFRS 16, 'Leases'

Nature of change

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

Impact

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of RMB153,371,000 (Note 34). The Group estimates that approximately 51.2% of these relate to payments for short-term and low value leases which will be recognised on a straight-line basis as an expense in profit or loss. The remaining lease commitments will result in the recognition of an asset and a liability for future payments and will affect the Group's profit and classification of cash flows.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.1 編製基準 (續)

(iv) *尚未採納之新訂準則及詮釋*

若干新會計準則及詮釋已頒佈但並無於二零一八年十二月三十一日報告期間強制生效，且本集團亦無提早採納。本集團對該等準則及詮釋影響的評估載於下文。

香港財務報告準則第16號，「租賃」變動性質

香港財務報告準則第16號已於2016年1月發佈。由於對經營租賃和融資租賃的計量劃分已經刪除，這將會導致幾乎所有租賃須在承租人的資產負債表內確認。根據新準則，資產（租賃項目的使用權）和支付租金的金融負債須確認入賬。豁免僅適用於短期和低價值租賃。

出租人的會計處理將不會有重大變動。

影響

此準則會主要影響本集團經營租賃的會計處理。截止至報告日期，本集團有不可撤銷的經營租賃承擔為人民幣153,371,000（附註34）。本集團估計，此等款項中約51.2%涉及短期和低價值租賃的付款，因此將以直線法在損益中確認為費用。餘下的租賃承擔將會為其未來付款確認為資產及負債，和影響本集團的利潤及現金流的分類。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(iv) *New standards and interpretations not yet adopted (Continued)*

HKFRS 16, 'Leases' (Continued)

Date of adoption by the Group

Mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 Consolidation

(a) *Subsidiaries*

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.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.1 編製基準 (續)

(iv) *尚未採納之新訂準則及詮釋 (續)*

香港財務報告準則第16號，「租賃」 (續)

本集團採納日期

此項準則將於二零一九年一月一日或之後開始的財政年度強制採納。在現階段，本集團不準備在生效日期前採納該準則。本集團有意採用簡化的過渡方式，且不會在首次採納時重述比較數字。

概無尚未生效且預計對於目前或未來報告期間及對可見未來交易造成重大影響的其他準則。

2.2 綜合賬目

(a) *附屬公司*

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

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

The Group applies the acquisition method 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 recognises 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 recognised 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.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

(i) Business combinations

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying amount 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 recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised 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 recognised 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 recognised 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 recognised directly in the income statement.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

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

收購的相關成本在產生時支銷。

如業務合併分階段進行，收購方之前在被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。

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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

(i) Business combinations (Continued)

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(ii) 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 recognised 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 recognised 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. It means the amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

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)

集團內公司之間的交易、結餘及交易的未變現利得予以對銷。未變現損失亦予以對銷，除非交易提供所轉撥資產的減值證據。子公司報告的數額已按需要作出改變，以確保與本集團採用的政策符合一致。

(ii) 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。或根據香港財務報告準則的相關要求轉移至權益的其他類別。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(b) 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 recognised at cost, and the carrying amount is increased or decreased to recognise 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 recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised 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 recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.2 綜合賬目 (續)

(b) 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全面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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(b) Associates (Continued)

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 recognises the amount adjacent to share of profit/(loss) of an associate in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised 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.

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

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.2 綜合賬目 (續)

(b) 聯營公司 (續)

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。

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。

在聯營公司的攤薄盈虧於綜合收益表內確認。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(c) *Jointly controlled entity*

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.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise 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 recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group’s interest in the joint ventures. Unrealised 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.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.2 綜合賬目 (續)

(c) *共同控制實體*

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。

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。

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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Company's functional currency is Hong Kong dollars ("HKD") and the consolidated financial statements are presented in RMB, which is the Group's presentation currency.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

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綜合收益總額，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定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

本集團每個主體的財務報表所列項目均以該主體經營所在的主要經濟環境的貨幣計量（「功能貨幣」）。本公司的功能貨幣為港幣而本綜合財務報表按本集團之列報貨幣人民幣列報。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

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 recognised 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 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 analysed between currency translation differences resulting from changes in the amortised cost of the securities and other changes in the carrying amount of the securities. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets such as equities held at fair value through profit or loss are recognised 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.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

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綜合收益表內確認。

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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

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 balance sheet;
- (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 recognised 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 recognised in other comprehensive income.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

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資產負債表日之收市匯率換算；
- (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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Foreign currency translation (Continued)

(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.

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 recognised 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.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.5 外幣換算 (續)

(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。

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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Property, plant and equipment

Construction in progress represents the direct costs of construction of property, plant and equipment incurred plus interest capitalised 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.

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.

Subsequent costs are included in the asset's carrying amount or recognised 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 derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

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	20-35 years
Plant and machinery	5-20 years
Motor vehicles	5-10 years
Furniture, fixtures and equipment	5-10 years
Leasehold improvements	2-5 years or over the lease term, whichever is shorter

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.6 物業、機器及設備

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。

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。

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。

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至35年
機器及設備	5至20年
汽車	5至10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

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Property, plant and equipment (Continued)

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised 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.

2.8 Intangible assets

(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.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.6 物業、機器及設備 (續)

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，在綜合收益表內的「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。

2.8 無形資產

(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生單元或現金產出單位組 (預期可從合併中獲取協同利益)。商譽被分配的每個單位或單位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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Intangible assets (Continued)

(a) Goodwill (Continued)

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 recognised 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 capitalised separately from goodwill and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the intangible assets over their estimated useful lives of 5 to 10 years.

(c) Trademarks and licenses

Separately acquired trademarks and licenses are shown at historical cost. Trademarks and licenses acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation 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.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.8 無形資產 (續)

(a) 商譽 (續)

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5至10年計算。

(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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Intangible assets (Continued)

(d) Computer software

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

(e) Patents

Patents include purchased technology and skills acquired from third parties. They have a finite useful life and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation 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.

2.9 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 amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.8 無形資產 (續)

(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(3至5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。

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，但至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，資產按可分開識辨現金流量(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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Discontinued operation

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated income statement.

2.11 Investments and financial assets

(a) Classification

From 1 April 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.10 已終止業務

已終止業務指實體已出售或分類為持作出售之組成部分，而該部分相當於獨立主要業務或經營地區、單一協調計劃之一部分以出售該項業務或經營地區、或僅為轉售而收購之附屬公司。已終止業務之業績於綜合收益表分開呈列。

2.11 投資及金融資產

(a) 分類

自2018年4月1日起，本集團將其金融資產分為以下計量類別：

- 隨後將按公允價值計量（其變動計入其他全面收益或計入損益）的金融資產；及
- 將按攤銷成本計量的金融資產。

該分類取決於本集團管理金融資產的業務模式及現金流量的合約條款。

就按公允價值計量之資產而言，收益及虧損將計入損益或其他全面收益。就非持作交易的權益工具投資而言，收益及虧損的入賬將取決於本集團是否已於初始確認時行使不可撤銷選擇權，將權益投資入賬列為以公允價值計量且其變動計入其他全面收益。

本集團僅當管理該等資產之業務模式變動時重新分類債務投資。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Investments and financial assets (Continued)

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.11 投資及金融資產 (續)

(b) 確認及終止確認

常規購入及出售之金融資產在交易日予以確認，交易日指本集團承諾購入或出售該資產之日。當收取金融資產所得現金流量之權利已經到期或已經轉讓，而本集團已將擁有權之絕大部份風險及回報轉讓時，即終止確認金融資產。

(c) 計量

初始確認時，本集團按其公允價值加（倘屬並非以公允價值計量且其變動計入損益的金融資產）直接歸屬於購買金融資產的交易成本計量金融資產。以公允價值計量且其變動計入損益的金融資產的交易成本在損益中入賬。

確定具有嵌入衍生工具的金融資產的現金流量是否僅為支付本金和利息時，應整體考慮金融資產。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Investments and financial assets (Continued)

(c) Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.11 投資及金融資產 (續)

(c) 計量 (續)

債務工具

債務工具的後續計量視乎本集團管理該資產之業務模式及該資產之現金流量特徵而定。本集團將其債務工具分類為三個計量類別：

- **攤銷成本：**倘為收回合約現金流量而持有之資產的現金流量僅為支付本金及利息，則該等資產按攤銷成本計量。該等金融資產的利息收入按實際利息法計入財務收入或其他收益。終止確認產生的任何收益或虧損直接於損益確認，並於其他收益／（虧損）中與匯兌收益及虧損一併列示。減值虧損於綜合收益表中作為單獨項目列示。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Investments and financial assets (Continued)

(c) Measurement (Continued)

Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated income statement.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.11 投資及金融資產 (續)

(c) 計量 (續)

債務工具 (續)

- 以公允價值計量且其變動計入其他全面收益：倘為收回合約現金流量及出售金融資產而持有之資產的現金流量僅為支付本金及利息，則該等資產以公允價值計量且其變動計入其他全面收益。賬面值變動計入其他全面收益，惟於損益確認之減值收益或虧損、利息收入及匯兌收益及虧損之確認除外。終止確認金融資產時，先前於其他全面收益確認之累計收益或虧損由權益重新分類至損益並確認為其他收益／(虧損)。該等金融資產的利息收入按實際利息法計入財務收入或其他收益。匯兌收益及虧損計入其他收益／(虧損)及減值費用於綜合收益表中作為單獨項目列示。
- 以公允價值計量且其變動計入損益：未達按攤銷成本或以公允價值計量且其變動計入其他全面收益標準的資產以公允價值計量且其變動計入損益。後續以公允價值計量且其變動計入損益之債務投資的收益或虧損於損益確認，並於產生期間在損益表的其他收益／(虧損)以淨額列報。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Investments and financial assets (Continued)

(c) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

From 1 April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 4(b) for further details.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.11 投資及金融資產 (續)

(c) 計量 (續)

權益工具

本集團後續按公允價值計量所有權益投資。倘本集團管理層選擇於其他全面收益中呈列權益投資的公允價值收益及虧損，則於終止確認投資後，公允價值的收益及虧損後續並無重新分類至損益。當本集團確立收取付款的權利時，該等投資的股息繼續於損益確認為其他收入。

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於綜合收益表其他收益／(虧損)確認。以公允價值計量且其變動計入其他全面收益之股權投資的減值虧損(及減值虧損撥回)並無與其他公允價值變動分開呈報。

(d) 減值

自二零一八年四月一日，本集團按前瞻性基準評估與按攤銷成本及以公允價值計量且其變動計入其他全面收益列賬之債務工具有關之預期信貸虧損。所應用之減值方法取決於是否出現信貸風險重大增幅。就貿易應收款項而言，本集團採用香港財務報告準則第9號所允許的簡化方法，該方法規定預期存續期虧損須自首次確認應收款項時予以確認。詳情於附註4(b)詳述。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Investments and financial assets (Continued)

(e) Accounting policies applied until 31 March 2018

The Group has applied HKFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

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 recognised amounts and there is an intention to settle on a net basis or realise 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 Inventories

Inventories are stated at the lower of cost and net realisable 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 realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.11 投資及金融資產 (續)

(e) 截至二零一八年三月三十一日應用的會計政策

本集團已應用香港財務報告準則第9號，但選擇未重列比較資料。因此，比較資料依舊按照與本集團以往相一致的會計政策入賬。

2.12 抵銷金融工具

當有法定可執行權利可抵銷已確認金額，並有意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亦必須可強制執行。

2.13 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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Trade and other receivables

Trade receivables are amounts due from customers for inventories 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 recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.15 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 with original maturities of three months or less.

2.16 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.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.14 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。

2.15 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，其到期日為三個月或以下。

2.16 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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Borrowings

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

Fees paid on the establishment of loan facilities are recognised 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 capitalised as a prepayment for liquidity services and amortised 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.

2.18 Borrowing costs

General and specific borrowing costs 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 capitalisation.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.17 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。

2.18 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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Borrowing costs (Continued)

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

Borrowing costs include interest expense and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on interest rates on similar borrowings in the entity's functional currency.

2.19 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 recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.18 貸款成本 (續)

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。

借款費用包括利息費用和被視為對利息費用的調整的外幣借款匯兌差額。作為利息費用的調整項目的匯兌利得和損失包括主體以功能貨幣借入資金本應發生的借款費用與外幣借款實際發生的借款費用之間的利率差額。該等金額根據主體功能貨幣的類似借款利率估計。

2.19 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。

2.20 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，稅項亦分別在其他全面收益或直接在權益中確認。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Current and deferred income tax (Continued)

(a) Current income tax

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.

(b) Deferred income tax

Inside basis difference

Deferred income tax is recognised, 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 recognised 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 realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.20 當期及遞延所得稅 (續)

(a) 當期所得稅

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) 遞延所得稅

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。

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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Current and deferred income tax (Continued)

(b) *Deferred income tax (Continued)*

Outside basis differences

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 recognised.

Deferred income tax assets are recognised 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 utilised.

(c) *Offsetting*

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.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.20 當期及遞延所得稅 (續)

(b) *遞延所得稅*

外在差異

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。

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) *抵銷*

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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Employee benefits

Pension obligations

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, organised 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. In the United States of America (“USA”), the Group makes defined contributions at certain percentage of monthly salary to retirement and medical schemes managed by the federal government of USA in accordance with US rules and regulations. It is the federal government’s responsibility to pay the retirement benefits to those staff who retire. The Group has no further payment obligations once these contributions have been paid. The contributions are recognised 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 recognised 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.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.21 僱員福利

退休金責任

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。根據美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美國聯邦政府所管理的退休金及醫療保險計劃作出供款。美國聯邦政府有責任向該等退休僱員支付退休金。本集團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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Share-based payment

(a) Share option scheme

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 recognised 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 recognised 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 recognising 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 recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.22 以股份支付之酬金

(a) 購股權計劃

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期權工具（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期間內的開支作出估計。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。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Share-based payment (Continued)

(a) Share option scheme (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

(a) Revenue from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable for the sales of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of discounts and after eliminating sales with the Group companies. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

Revenues are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer; or
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.22 以股份支付之酬金 (續)

(a) 購股權計劃 (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 收入之確認

(a) 與客戶之間的合同產生的收入

收入按本集團日常業務過程中銷售貨品及服務已收或應收代價的公平值計量。收入顯示為扣除折扣後以及與集團公司取消銷售後的收入。當收入金額能夠可靠計量時；當未來的經濟利益很可能流入實體時；當本集團的每項活動符合特定標準時本集團會確認收入，詳情如下所述。

收入在資產控制權轉移給客戶時確認。根據合同條款和適用於合同的法律，資產的控制可以隨時間或在某個時間點進行轉移。如果集團的業績如下，資產的控制權將隨時間轉移：

- 提供客戶同時收到和消費的所有好處；或
- 創建並增強客戶在集團執行時控制的資產；或
- 不會為本集團創建具有替代用途的資產，且本集團擁有可執行的權利，可為迄今已完成的業績付款。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Revenue recognition (Continued)

(a) Revenue from contracts with customers (Continued)

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

(b) Interest income

Interest income is recognised 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 recognised using the original effective interest rate.

(c) Dividend income

Dividends are recognised when the right to receive payment is established.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

2.23 收入之確認 (續)

(a) 與客戶之間之合同產生的收入 (續)

如果資產的控制隨著時間的推移而轉移，則通過參考完成履約義務的進展於合約期內確認收入。否則，收入在客戶獲得資產控制權的時間點確認。

完成履約義務的進度乃根據本集團為履行完成履約義務所作的努力或投入而計量，並參考截至報告期末所產生的合約成本佔每份合約估計總成本的百分比。

在釐定交易價格時，如果融資成分重大，則本集團會調整承諾的代價金額。

(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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Research and development costs

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised 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.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding five years.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Development assets are tested for impairment annually.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

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。

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。過往確認為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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 recognised 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 recognised 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 recognised 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.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

2. 主要會計政策摘要 (續)

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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. CHANGES IN ACCOUNTING POLICIES

The Group adopted HKFRS 9 and HKFRS 15 from 1 April 2018, which result in changes in accounting policies (new policies are described in Note 2.11 and Note 2.23) and adjustments to the amounts recognised in the consolidated financial statements.

In accordance with the transitional provisions in HKFRS 9, comparative figures have not been restated. As a consequence, any adjustments to carrying amounts of financial assets or liabilities are recognised at the beginning of the current reporting period, with the difference recognised in opening retained earnings. Provisions for impairment have not been restated in the comparative period, as well.

The Group adopted HKFRS 15 using the modified retrospective approach which means that the cumulative impact of the adoption (if any) will be recognised in retained earnings as of 1 April 2018 and that comparatives will not be restated.

3.1 Impact on the financial statements

The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. The adjustments are explained in more detail as below.

Consolidated statement of financial position (extract) 合併資產負債表 (摘錄)		31 March 2018	As originally presented		1 April 2018
		於 二零一八年 三月 三十一日	HKFRS 9 香港財務 報告準則 第9號下的 重分類 和調整	HKFRS 15 香港財務 報告準則 第15號下的 重分類 和調整	Restated 於 二零一八年 四月一日
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Available-for-sale financial assets ("AFS")	可供出售金融資產以公允價值計量且其變動計入其他綜合	182,672	(182,672)	-	-
FVOCI	收益的金融資產以公允價值計量且其變動計入損益的	-	80,672	-	80,672
FVPL	金融資產	-	102,000	-	102,000
Contract liabilities	合同負債	-	-	25,590	25,590
Trade and other payables	貿易及其他應付款	683,275	-	(25,590)	657,685

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 會計政策變動

本集團自二零一八年四月一日採納了香港財務報告準則第9號和第15號，導致了會計政策（新的會計政策已在附註2.11及附註2.23列示）的改變和綜合財務報表確認金額的調整。

依據香港財務報告準則第9號的過渡性條款，本集團未重述比較期間數據。因此，任何對金融資產或負債賬面價值的差額均在本年調整年初留存收益餘額。相應的，將賬面價值調整的差異確認至期初保留盈餘，減值準備在比較期間未被重述。

本集團選擇使用修正過的追溯方法向香港財務報告準則第15號過渡，即根據首次執行該收入準則時的累計影響數，在本年調整年初留存收益餘額。本集團選擇了適用於已完成合同的簡化處理辦法，沒有對在二零一八年四月一日前已完成的合同進行重述。因此，集團未重述比較期間數據。

3.1 對財務報表的影響

下表為每個科目的調整，不包括未受影響的科目。下文將提供對這些調整之詳細解釋。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

3.2 HKFRS 9 Financial Instruments – Impact of adoption

HKFRS 9 replaces the provisions of HKAS 39 Financial Instruments (“HKAS 39”) that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. HKFRS 9 also significantly amends other standards dealing with financial instruments such as HKFRS 7 Financial Instruments – Disclosures.

The total impact on the Group’s retained earnings and reserves due to classification and measurement of financial instruments as at 1 April 2018 is as follows:

		AFS Reserve	FVOCI Reserve 以公允價值 計量且 其變動計入 其他綜合 收益的 金融資產 儲備	Retained earnings
	Notes 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Opening balance – HKAS 39	期初結餘 – 香港財務報告準則第39號	50,136	–	–
Reclassify unlisted equity securities from AFS to FVOCI	非上市權益證券從可供出售金融資產重分類至以公允價值計量且其變動計入其他綜合收益的金融資產	(50,136)	50,136	–
Total adjustments from adoption	採用新準則導致的總調整	(50,136)	50,136	–
Opening balance – HKFRS 9	期初結餘 – 香港財務報告準則第9號	–	50,136	–

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 會計政策變動 (續)

3.2 香港財務報告準則第9號「金融工具」— 採用新準則的影響

會計政策選擇採用香港財務報告準則第9號，其取代了香港會計準則第39號金融工具（「香港會計準則第39號」）中涉及金融資產和金融負債的確認、分類和計量；金融工具的終止確認；金融資產的減值和對沖會計的條款。香港財務報告準則第9號對其他與金融工具相關的準則（例如：香港財務報告準則第7號：金融工具—披露）也進行了重大的修正。

於二零一八年四月一日，本集團的保留盈利和儲備由於金融工具的分類和計量受到的影響如下：



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

3.2 HKFRS 9 Financial Instruments – Impact of adoption (Continued)

(a) Classification and measurement

The Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. The main effects resulting from this reclassification are as follows:

		AFS 可供出售 金融資產	FVOCI 以公允價值 計量且 其變動計入 其他綜合 收益的 金融資產	FVPL 以公允價值 計量且其 變動計入 損益的 金融資產
Financial assets – 1 April 2018 金融資產 – 二零一八年四月一日	Notes 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Closing balance 31 March 2018 – HKAS 39	於二零一八年 三月三十一日期末 結餘 – 香港財務 報告準則第39號	182,672	–	–
Reclassify bank financial products from AFS to FVPL	銀行金融產品從可供出 售金融資產重分類至 以公允價值計量且其 變動計入損益的金融 資產	(i) (102,000)	–	102,000
Reclassify unlisted equity securities from AFS to FVOCI	非上市權益證券從可供 出售金融資產重分類 至以公允價值計量且 其變動計入其他綜合 收益的金融資產	(ii) (80,672)	80,672	–
Opening balance 1 April 2018 – HKFRS 9	於二零一八年四月一日 期初結餘 – 香港財務 報告準則第9號	–	80,672	102,000

(i) *Reclassification from AFS to FVPL for bank financial products*

Certain investments in bank financial products were reclassified from AFS to FVPL. They do not meet the HKFRS 9 criteria for classification at amortised cost, because their cash flows do not represent solely payments of principal and interest. There was no impact on retained earnings at 1 April 2018.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 會計政策變動 (續)

3.2 香港財務報告準則第9號「金融工具」— 採用新準則的影響 (續)

(a) 分類和計量

管理層對集團於香港財務報告準則第9號對所持有金融資產進行評估，並且將金融工具分類為香港財務報告準則第9號規定中的相應類型。重分類的主要影響如下：

	AFS 可供出售 金融資產	FVOCI 以公允價值 計量且 其變動計入 其他綜合 收益的 金融資產	FVPL 以公允價值 計量且其 變動計入 損益的 金融資產
Financial assets – 1 April 2018 金融資產 – 二零一八年四月一日	Notes 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Closing balance 31 March 2018 – HKAS 39	於二零一八年 三月三十一日期末 結餘 – 香港財務 報告準則第39號	182,672	–
Reclassify bank financial products from AFS to FVPL	銀行金融產品從可供出 售金融資產重分類至 以公允價值計量且其 變動計入損益的金融 資產	(i) (102,000)	–
Reclassify unlisted equity securities from AFS to FVOCI	非上市權益證券從可供 出售金融資產重分類 至以公允價值計量且 其變動計入其他綜合 收益的金融資產	(ii) (80,672)	80,672
Opening balance 1 April 2018 – HKFRS 9	於二零一八年四月一日 期初結餘 – 香港財務 報告準則第9號	–	80,672

(i) *從可供出售金融資產重分類到以公允價值計量且其變動計入損益的金融資產之銀行金融產品*

對銀行金融資產的投資從可供出售的金融資產被重新歸類為以公允價值計量且其變動計入損益的金融資產，由於該現金流不僅代表本金和利息。自二零一八年四月一日起，於二零一八年四月一日的保留盈利並無影響。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

3.2 HKFRS 9 Financial Instruments – Impact of adoption (Continued)

(a) Classification and measurement (Continued)

(ii) Reclassification from AFS to FVOCI for unlisted equity securities

The Group elected to present in other comprehensive income changes in the fair value of all its equity investments in unlisted securities previously classified as AFS, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, equity interest in unlisted companies with fair value of RMB80,672,000 was reclassified from AFS to FVOCI on 1 April 2018. There was no impact on retained earnings at 1 April 2018.

(iii) Financial liabilities and derecognition

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

(b) Impairment of financial assets

The Group has two types of financial assets at amortised cost subject to HKFRS 9's new expected credit loss model:

- trade receivables
- other receivables

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 會計政策變動(續)

3.2 香港財務報告準則第9號「金融工具」—採用新準則的影響(續)

(a) 分類和計量(續)

(ii) 非上市權益證券從可供出售金融資產重分類至以公允價值計量且其變動計入其他綜合收益的金融資產

非上市權益證券從可供出售的金融資產被重新歸類為以公允價值變動歸為其他綜合收益的金融資產，因為該投資為長期戰略投資，所以本集團預計不會在中短期出售。因此，在二零一八年四月一日，公允價值為人民幣80,672,000元的非上市權益證券從可供出售的金融資產被重分類到以公允價值計量且其變動計入其他綜合收益的金融資產。於二零一八年四月一日的保留盈利並無影響。

(iii) 金融負債及終止確認

該集團的財務負債沒有受到新準則的影響，因為新的要求只影響到分類為以公允價值計量且其變動計入損益之金融資產的財務負債，而集團沒有此類負債。終止確認規則和香港財務報告準則39號金融工具中的條款相同，所以資產確認和計量沒有被改變。

(b) 金融資產的減值

根據香港財務報告準則第9號中新的預計信用損失模型，集團有兩種使用攤餘成本計量的金融資產：

- 貿易應收款
- 其他應收款

在香港財務報告準則第9號準則下，集團需要修訂以下類型的資產減值方法。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

3.2 HKFRS 9 Financial Instruments – Impact of adoption (Continued)

(b) Impairment of financial assets (Continued)

(i) Trade receivables

For trade receivables, the Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. The adoption of the simplified expected loss approach under HKFRS 9 has not resulted in any additional impairment loss for trade receivables as at 1 April 2018. Note 4.1(b) reconciles the loss allowance as at 1 April 2018 to that at the end of the reporting period.

(ii) Other receivables

For other receivables already in place at 1 April 2018, the Group has determined that reliably assessing the probability of default at the initial recognition of each financial asset would result in undue cost and effort. As permitted by HKFRS 9, the credit provision will be determined based on whether credit risk is low only at each reporting date, until the receivables are derecognised. The adoption of the expected loss approach under HKFRS 9 has not resulted in any additional impairment loss for other receivables as at 1 April 2018. Note 4.1(b) reconciles the loss allowance as at 1 April 2018 to that at the end of the reporting period.

Impairment losses of financial assets are presented separately in the income statement. As a result, the Group reclassified impairment losses amounting to RMB19,298,000 recognised under HKAS 39, from “administrative expenses” to “net impairment losses on financial assets” in the consolidated income statement for the year ended 31 March 2018.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 會計政策變動(續)

3.2 香港財務報告準則第9號「金融工具」—採用新準則的影響(續)

(b) 金融資產的減值(續)

(i) 貿易應收款

對於貿易應收款，本集團應用香港財務報告準則第9號規定的預期信貸損失簡化版模型，其計算過程要求所有貿易應收款均使用存續期間預計的損失撥備率。採納香港財務報告準則第9號中新的預計信用損失模型對於二零一八年四月一日之貿易應收款並無產生額外減值損失。附註4.1(b)披露了損失撥備自二零一八年四月一日至本期期末的變動情況。

(ii) 其他應收款

對二零一八年四月一日已經存在的其他應收款，本集團認為在每項金融資產的初始確認時有效地評估壞賬的可能性會產生不必要的成本。香港財務報告準則第9號准許貸款撥備僅由每個報告日的信貸風險高低決定直至該應收款終止確認。採納香港財務報告準則第9號中新的預計信用損失模型對於二零一八年四月一日之其他應收款並無產生額外減值損失。附註4.1(b)披露了損失撥備自二零一八年四月一日至本期期末的變動情況。

金融資產的減值損失將單獨列示於利潤表。因此本集團將截至二零一八年三月三十一日止年度根據香港財務報告準則第39號規定計提的減值損失人民幣19,298,000元從「行政開支」中重分類至「金融資產淨減值損失」。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

3.3 HKFRS 15 Revenue from Contracts with Customers – Impact of adoption

The Group has adopted HKFRS 15 Revenue from Contracts with Customers from 1 April 2018 which resulted in changes in accounting policies. The Group adopted HKFRS 15 using the modified retrospective approach which means that the cumulative impact of the adoption (if any) will be recognised in retained earnings as of 1 April 2018 and that comparatives will not be restated.

Presentation of contract liabilities

Reclassifications were made as at 1 April 2018 to be consistent with the terminology used under HKFRS 15:

Contract liabilities previously presented as advances from customers in “trade and other payables” were reclassified as at 1 April 2018 to align with the terminology used under HKFRS 15.

The Group did not introduce any refunds or customer loyalty programme which is likely to be affected by the HKFRS 15.

The Group does not expect to have any contracts with material consideration where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

No additional cost occurs to fulfil the contract was identified.

Other than certain reclassification of contract liabilities, the adoption of HKFRS 15 did not result in any impact to the retained earnings as at 1 April 2018 as the timing of revenue recognition on sales of products is not changed.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 會計政策變動(續)

3.3 香港財務報告準則第15號「與客戶之間合同產生的收入」—採用新準則的影響

自二零一八年四月一日起，本集團已採納香港財務報告準則第15號「與客戶之間合同產生的收入」，以致會計政策變動。本集團採用修訂後的追溯法採納香港財務報告準則第15號，這意味著採納的累計影響(如有)將於2018年4月1日的保留盈利中確認，而比較期間數字將不會重列。

合同負債的列示

重分類於二零一八年一月一日起進行，以符合香港財務報告準則第15號要求：

合同負債在以往年度列示為「貿易及其他應付款」中之客戶預付款項，為符合香港財務報告準則第15號的術語已於二零一八年四月一日被重分類。

本集團並無引入任何可能受香港財務報告準則第15號影響的退款或客戶忠誠計劃。

在承諾貨物轉移至客戶與客戶付款之間的時間超過一年的情況下，本集團不預期有任何重大對約。因此，本集團並未就貨幣時間價值調整任何交易價格。

概無識別因履行合約所產生的額外費用。

除了合同負債之重分類外，由於銷售收入確認時點並無改變，採納香港財務報告準則第15號對集團於二零一八年四月一日的保留盈利並無影響。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

3.3 HKFRS 15 Revenue from Contracts with Customers – Impact of adoption (Continued)

Presentation of contract liabilities (Continued)

The impacts of the adoption of HKFRS 15 on the consolidated statement of financial position at 1 April 2018 are as follows:

		HKAS 18 carrying amount 31 March 2018	Reclassification	HKFRS 15 carrying amount 1 April 2018
		香港財務報告 準則第18號之 賬面值於 二零一八年 三月三十一日	重分類	香港財務報告 準則第15號之 賬面值於 二零一八年 四月一日
Contract liabilities	合同負債	-	25,590	25,590
Trade and other payables	貿易及其他應付款	683,275	(25,590)	657,685

4. FINANCIAL RISK MANAGEMENT

4.1 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 minimise 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.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

3. 會計政策變動(續)

3.3 香港財務報告準則第15號「與客戶之間合同產生的收入」—採用新準則的影響 合同負債的列示(續)

於二零一八年四月一日，採納香港財務報告準則第15號對綜合財務狀況表的影響如下：

		HKAS 18 carrying amount 31 March 2018	Reclassification	HKFRS 15 carrying amount 1 April 2018
		香港財務報告 準則第18號之 賬面值於 二零一八年 三月三十一日	重分類	香港財務報告 準則第15號之 賬面值於 二零一八年 四月一日
Contract liabilities	合同負債	-	25,590	25,590
Trade and other payables	貿易及其他應付款	683,275	(25,590)	657,685

4. 財務風險管理

4.1 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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

(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 majority of the subsidiaries of the Group operate in the PRC and most of their transactions are denominated in RMB. The Group did not have other significant exposure to foreign exchange risk.

If HKD and USD had strengthened/weakened by 5% against RMB during the nine months ended 31 December 2018, with all other factors remaining unchanged, the profit after income tax for the period and equity as at period end date would have been affected as follows:

		Change of profit after income tax increase/(decrease)		Change of equity increase/(decrease)	
		for the nine months ended 31 December 2018	for the year ended 31 March 2018	for the nine months ended 31 December 2018	for the year ended 31 March 2018
		本年除稅後盈利的影響增加/(減少)		權益之變動增加/(減少)	
		截至二零一八年十二月三十一日止九個月	截至二零一八年三月三十一日止年度	截至二零一八年十二月三十一日止九個月	截至二零一八年三月三十一日止年度
Group	本集團				
- Strengthened by 5%	- 升值5%	1,841	-	5,378	54,003
- Weakened by 5%	- 貶值5%	(1,841)	-	(5,378)	(54,003)

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

4. 財務風險管理 (續)

4.1 財務風險因素 (續)

(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。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，故本集團並無重大外匯風險。

截至二零一八年十二月三十一日止九個月內，假若港幣及美元兌人民幣升值/貶值5%，而所有其他因素維持不變，則對本年度除稅後盈利及於年末權益的影響如下：

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(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 December 2018 and 31 March 2018, if interest rates on borrowings had been 1 percentage points higher/lower, with all other variables held constant, there would have been no material impact to the profit after income tax for the period/year.

(iii) Price risk

The Group is exposed to price risk because of investments held by the Group, which are classified as financial assets at FVPL. The Group is not exposed to commodity price risk.

The sensitivity analysis is determined based on the exposure to price risk of the financial assets at FVPL at the end of each reporting period. If the fair values of the financial assets at FVPL held by the Group had been 5% higher/lower, profit after tax for the year would have been approximately RMB9,343,000 higher/lower for the nine months ended 31 December 2018 (year ended 31 March 2018: nil).

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

4. 財務風險管理(續)

4.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 現金流量及公允價值之利率風險

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。

於二零一八年十二月三十一日及二零一八年三月三十一日，在其他因素不變的情況下，若貸款利率上升／下降一個百分點，對本年盈利並無重大影響。

(iii) 價格風險

由於本集團持有的投資分類為以公允價值計量且其變動計入損益的金融資產，故此本集團承受權益證券的價格風險。本集團不承受商品價格風險。

有關分析是假設若以公允價值計量且其變動計入損益之財務資產上升／下跌5%，除稅後利潤於截至二零一八年十二月三十一日止九個月會分別增加／減少人民幣9,343,000元(截至二零一八年三月三十一日止年度：無)。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

(b) Credit risk

The Group is exposed to credit risk if counterparties fail to make payments as they fall due in respect of:

- payment of trade receivables as invoices fall due under credit terms after being raised.
- payment of other receivables fall due under credit terms.

For financial assets originated from 1 April 2018, the following credit risk modelling applies:

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

4. 財務風險管理 (續)

4.1 財務風險因素 (續)

(b) 信貸風險

本集團承受因對方可能無法按期償付借款產生的信貸風險，情況包括：

- 貿易應收款在發生之後按照信用政策規定下的發票到期
- 其他應收款於信用期後付款

對二零一八年四月一日已經存在的金融資產，需應用以下信貸風險模型：

本集團在資產的初始確認時考慮壞賬的可能性，也評估在每個資產存續的報告期間是否會有信貸風險的顯著增加。在評估信貸風險是否顯著增加時本集團將報告日時點資產發生壞賬的可能性與初始確認時點發生壞賬的可能性進行比較，同時也考慮公開且合理的前瞻資訊。以下指標需要重點考慮：

- 內部信用評級
- 外部信用評級
- 實際發生的或者預期的營業狀況、財務狀況和經濟環境中的重大不利變化預期導致借款人按期按期償還到期債務的能力產生重大變化
- 借款人的經營業績實際發生或者預期發生重大變化
- 借款人的其他金融資產信貸風險顯著增加
- 借款人預期表現或者行為發生重大變化，包括集團內借款人付款情況的變化和經營成果的變化。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Trade receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

To measure the expected credit losses of trade receivables, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 1 April 2018 and 31 December 2018 is determined as follows, the expected credit losses below also incorporate forward looking information.

At 1 April 2018

		0 – 90 days	91 days – 180 days	181 days – 360 days	Over 360 days	Total
Trade receivables due		0–90日	91–180日	181–360日	超過360日	合計
Effective expected loss rate	預計有效撥備率	0%	0%	3.73%	41.39%	
Gross carrying amount	賬面價值	908,682	110,860	12,872	30,068	1,062,482
Loss allowance provision	撥備金額	–	–	480	12,445	12,925

At 31 December 2018

		0 – 90 days	91 days – 180 days	181 days – 360 days	Over 360 days	Total
Trade receivables due		0–90日	91–180日	181–360日	超過360日	合計
Effective expected loss rate	預計有效撥備率	0%	0.005%	1.14%	52.36%	
Gross carrying amount	賬面價值	1,029,914	88,053	23,781	17,304	1,159,052
Loss allowance provision	撥備金額	–	4	270	9,060	9,334

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

4. 財務風險管理 (續)

4.1 財務風險因素 (續)

(b) 信貸風險 (續)

(i) 貿易應收款

本公司根據香港財務報告準則第9號的規定應用簡化的方式提供預期信貸虧損，該準則允許所有貿易應收款均採用整個信用損失週期預期撥備。

為計量貿易應收款項的預期信貸虧損，貿易應收款根據共有的信貸風險特徵及逾期日期進行分組。在二零一八年四月一日與二零一八年九月三十日，貸款撥備率如下列示，以下預期信用損失同時考慮了前瞻資訊的因素：

於二零一八年四月一日

於二零一八年十二月三十一日



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Trade receivables (Continued)

The loss allowance provision for trade receivables reconciles to the opening loss allowance for that provision as follows:

		Trade receivables 貿易應收款
At 31 March 2018 (calculated under HKAS 39)	於二零一八年三月三十一日 (基於香港會計準則第39號計算)	12,925
Amounts restated through opening retained earnings	通過期初保留盈利重列金額	-
At 1 April 2018 (calculated under HKFRS 9)	於二零一八年四月一日 (基於香港財務報表準則第9號計算)	12,925
Provision for impairment on trade receivables for continuing operations	計提持續經營業務應收賬款減值	924
Reversal for impairment on trade receivables for a discontinued operation	沖回終止經營業務應收賬款減值	(640)
Increase arising from acquisition of Jiahao Foodstuff	收購嘉豪食品所產生的增加	6
Decrease arising from disposal of Qingdao Qingda Product Co.,LTD ("Qingdao Qingda")	因出售青島青大物產股份有限公司 ("青島青大")之減少	(100)
Decrease arising from disposal of VMR Products	因出售VMR Products之減少	(347)
Written off as uncollectible	因無法收回而沖銷	(3,434)
At 31 December 2018 (calculated under HKFRS 9)	於二零一八年十二月三十一日 (基於香港財務報表準則第9號計算)	9,334

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

4. 財務風險管理 (續)

4.1 財務風險因素 (續)

(b) 信貸風險 (續)

(i) 貿易應收款 (續)

貿易應收款的減值撥備與期初撥備的調節如下：



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Trade receivables (Continued)

As at 31 December 2018, the gross carrying amount of trade receivables were RMB1,159,052,000, and thus the maximum exposure to loss of trade receivables were RMB1,149,718,000.

(ii) Other receivables

Other financial assets at amortised cost include other receivables. Other receivables mainly includes notes receivable, prepayments, deposits, pre-paid charges, deductible input tax of Value-Added Tax, advances to staff retention money and others.

The loss allowance provision for other receivables reconciles to the opening loss allowance for that provision as follows:

		Other receivables 其他應收款
At 31 March 2018 (calculated under HKAS 39)	於二零一八年三月三十一日 (基於香港會計準則第39號計算)	21,111
Amounts restated through opening retained earnings	通過期初保留盈利重列金額	-
At 1 April 2018 (calculated under HKFRS 9)	於二零一八年四月一日 (基於香港財務報表準則第9號計算)	21,111
Provision for impairment loss on other receivables	其他應收款之減值撥備	692
Increase arising from acquisition of Jiahao Foodstuff	收購嘉豪食品所產生的增加	642
Written off as uncollectible	因無法收回而沖銷	(1,752)
At 31 December 2018 (calculated under HKFRS 9)	於二零一八年十二月三十一日 (基於香港財務報表準則第9號計算)	20,693

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

4. 財務風險管理 (續)

4.1 財務風險因素 (續)

(b) 信貸風險 (續)

(i) 貿易應收款 (續)

於二零一八年十二月三十一日，貿易應收款的賬面價值為人民幣1,159,052,000元，因此承擔損失風險的最大餘額為人民幣1,149,718,000元。

(ii) 其他應收款

其他以攤銷成本計量的金融資產包括其他應收款。其他應收款主要包括應收票據、預付款項、按金、增值稅可抵扣進項稅、預付員工款、質保金及其他。

其他應收款的減值撥備與年初撥備的調節如下：



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Other receivables (Continued)

As at 31 December 2018, the gross carrying amount of other receivables was RMB356,949,000, and thus the maximum exposure to loss of other receivables was RMB336,256,000.

(c) Liquidity risk

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.

The table below analyses the Group'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 based on the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

4. 財務風險管理 (續)

4.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 其他應收款 (續)

於二零一八年十二月三十一日，其他應收款的賬面價值為人民幣356,949,000元，因此承擔損失風險的最大餘額為人民幣336,256,000元。

(c) 流動性風險

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））。

下表顯示本集團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價值是由於貼現的影響不重大。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4. 財務風險管理(續)

4.1 Financial risk factors (Continued)

4.1 財務風險因素(續)

(c) Liquidity risk (Continued)

(c) 流動性風險(續)

		Less than	Between	Between	Between	Between	Total
		1 year	1 and	2 and	3 and	4 and	
		1 year	2 years	3 years	4 years	5 years	Total
		一年以下	一年至兩年	兩年至三年	三年至四年	四年至五年	總計
Group	集團						
At 31 December 2018	於二零一八年十二月三十一日						
Borrowings (including interest)	貸款(包括應計利息)	1,116,890	595,045	697,879	805,792	1,046,656	4,262,262
Trade and other payables excluding statutory liabilities and advances from customers	貿易及其他應付款項(不包括法定債項及預付款)	747,852	4,555	3,993	2,788	-	759,188
		1,864,742	599,600	701,872	808,580	1,046,656	5,021,450
At 31 March 2018	於二零一八年三月三十一日						
Borrowings (including interest)	貸款(包括應計利息)	216,195	-	-	-	-	216,195
Trade and other payables excluding statutory liabilities and advances from customers	貿易及其他應付款項(不包括法定債項及預付款)	498,639	8,772	14,875	581	-	522,867
		714,834	8,772	14,875	581	-	739,062

As at 31 December 2018, the Group's net current assets is RMB7,734,866,000 (31 March 2018: RMB8,961,234,000).

於二零一八年十二月三十一日，本集團之流動資產淨值為人民幣7,734,866,000元(二零一八年三月三十一日：人民幣8,961,234,000元)。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.2 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. The Group's net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents. Since the Group's cash and bank balance was larger than borrowing amount, the Group's debt-to-equity ratio is zero as at 31 December 2018 and 31 March 2018.

4.3 Fair value estimation

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

- Quoted 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);

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

4. 財務風險管理 (續)

4.2 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。本集團的債務淨額為總貸款（包括流動及非流動貸款）減去現金及現金等價物。由於本集團的現金及現金等價物金額大於貸款金額，本集團於二零一八年十二月三十一日及二零一八年三月三十一日的資本負債比率為零。

4.3 公允價值估計

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

- 相同資產或負債在活躍市場的報價（未經調整）（第一層）；
- 除了第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）；



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 Fair value estimation (Continued)

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The financial assets of level 3 within the fair value hierarchy were FVOCI and FVPL as at 31 December 2018 and AFS as at 31 March 2018. There were no transfers into or out of level 3.

There are no other financial instruments that were measured at fair value as at 31 December 2018 and 31 March 2018.

Market approach is adopted in valuation the financial assets of level 3. There were no changes in valuation techniques during the period.

4.4 Group's valuation processes

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

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

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

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

4. 財務風險管理 (續)

4.3 公允價值估計 (續)

- 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)。

於二零一八年十二月三十一日，第三類公允價值架構內之金融資產包括以公允價值計量且其變動計入其他綜合收益之金融資產及以公允價值計量且其變動計入損益之金融資產。於二零一八年三月三十一日，第三類公允價值架構內之金融資產為可供出售金融資產。概無任何金融資產於第三層架構類別轉入或轉出。

於二零一八年十二月三十一日及二零一八年三月三十一日，並無其他金融工具乃按公允價值計量。

第三類公允價值架構內之金融資產的估值乃採用市場法。本期之估值方法並無改變。

4.4 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。

4.5 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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

5. 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.

5.1 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 9).

If the budgeted gross margin, estimated pre-tax discount rate or forecast growth rate used in the value-in-use calculation for the CGUs of flavours subgroup under flavours and fragrances segment had been 25.8 percentage points lower, 24.7 percentage points higher or 16.6 percentage points lower than management's estimates at 31 December 2018 respectively, with all other assumptions remaining unchanged, the Group would not have recognised an impairment of goodwill in respect of flavours subgroup under flavours and fragrances segment.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

5. 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。

5.1 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9）。

如果香精業務中食用香精的現金產生單位的使用價值計算中所使用的預計毛利率、估計稅前貼現率或預測期增長率較管理層在二零一八年十二月三十一日估計的分別下降25.8個百分點、增加24.7個百分點，或下降16.6個百分點，其他假設保持不變，本集團無需對香精業務中食用香精的商譽確認減值。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

5.1 Critical accounting estimates and assumptions (Continued)

(a) Impairment of goodwill (Continued)

If the budgeted gross margin, estimated pre-tax discount rate or forecast growth rate used in the value-in-use calculation for the CGUs of fragrances subgroup under flavours and fragrances segment had been 4.8 percentage points lower, 8.3 percentage points higher or 30.0 percentage points lower than management's estimates at 31 December 2018 respectively, with all other assumptions remaining unchanged, the Group would have recognised a fully impairment of goodwill in respect of fragrances subgroup under flavours and fragrances segment.

If the budgeted gross margin, estimated pre-tax discount rate or forecast growth rate used in the value-in-use calculation for the CGUs of tobacco raw materials segment had been 7.0 percentage points lower, 3.0 percentage points higher or 11.5 percentage points lower than management's estimates at 31 December 2018 respectively, with all other assumptions remaining unchanged, the Group would not have recognised an impairment of goodwill in respect of tobacco raw materials segment.

If the budgeted gross margin, estimated pre-tax discount rate or forecast growth rate used in the value-in-use calculation for the CGUs of Yancheng City Chunzhu Aroma Co., Ltd. ("Yancheng Chunzhu") under aroma raw materials segment had been 2.0 percentage points lower, 4.3 percentage points higher or 10.3 percentage points lower than management's estimates at 31 December 2018 respectively, with all other assumptions remaining unchanged, the Group would not have recognised an impairment of goodwill in respect of Yancheng Chunzhu under aroma raw materials segment.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

5. 關鍵會計估計及判斷 (續)

5.1 關鍵會計估計及假設 (續)

(a) 商譽減值之估計 (續)

如果香精業務中日用香精的現金產生單位的使用價值計算中所使用的預計毛利率、估計稅前貼現率或預測期增長率較管理層在二零一八年十二月三十一日估計的分別下降4.8個百分點、增加8.3個百分點，或下降30.0個百分點，其他假設保持不變，本集團需對香精業務中的日用香精商譽全額確認減值。

如果煙用原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、估計稅前貼現率或預測期增長率較管理層在二零一八年十二月三十一日估計的分別下降7.0個百分點或增加3.0個百分點或下降11.5個百分點，其他假設保持不變，本集團無需對煙用原料業務的商譽確認減值。

如果香原料業務的現金產生單位鹽城市春竹香料有限公司(「鹽城春竹」)的使用價值計算中所使用的預計毛利率、估計稅前貼現率或預測期增長率較管理層在二零一八年十二月三十一日估計的分別下降2.0個百分點或增加4.3個百分點或下降10.3個百分點，其他假設保持不變，本集團無需確認香原料業務中鹽城春竹的商譽減值。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

5.1 Critical accounting estimates and assumptions (Continued)

(a) Impairment of goodwill (Continued)

If the budgeted gross margin, estimated pre-tax discount rate or forecast growth rate used in the value-in-use calculation for the CGUs of Jiangxi Xianghai under aroma raw materials segment had been 6.8 percentage points lower, 5.1 percentage points higher or 26.8 percentage points lower than management's estimates at 31 December 2018 respectively, with all other assumptions remaining unchanged, the Group would not have recognised an impairment of goodwill in respect of Jiangxi Xianghai under aroma raw materials segment.

If the budgeted gross margin, estimated pre-tax discount rate or forecast growth rate used in the value-in-use calculation for the CGUs of Jiahao Foodstuff under condiment segment had been 5.1 percentage points lower, 1.4 percentage points higher or 1.5 percentage points lower than management's estimates at 31 December 2018 respectively, with all other assumptions remaining unchanged, the Group would not have recognised an impairment of goodwill in respect of condiment segment.

(b) PRC enterprise income tax and deferred taxation

The Group's subsidiaries that operate in the PRC is subject to enterprise income tax in the PRC. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

5. 關鍵會計估計及判斷 (續)

5.1 關鍵會計估計及假設 (續)

(a) 商譽減值之估計 (續)

如果香原料業務的現金產生單位江西香海的使用價值計算中所使用的預計毛利率、估計稅前貼現率或預測期增長率較管理層在二零一八年十二月三十一日估計的分別下降6.8個百分點或增加5.1個百分點或下降26.8個百分點，其他假設保持不變，本集團無需確認香原料業務中江西香海的商譽減值。

如果調味品業務的現金產生單位嘉豪食品的使用價值計算中所使用的預計毛利率、估計稅前貼現率或預測期增長率較管理層在二零一八年十二月三十一日估計的分別下降5.1個百分點或增加1.4個百分點或下降1.5個百分點，其他假設保持不變，本集團無需確認調味品業務的商譽減值。

(b) 中國企業所得稅及遞延稅項

本集團於中國經營的附屬公司須繳納中國企業所得稅。於釐定所得稅撥備時需要作出重要的判斷。在日常業務過程中，許多交易及計算均無法最終釐定。當該等事宜的最終稅款與最初記賬金額不同時，有關差額將影響作出有關釐定期間的所得稅和遞延稅項撥備。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

5.1 Critical accounting estimates and assumptions (Continued)

(b) PRC enterprise income tax and deferred taxation (Continued)

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it's probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

(c) Business combination— Jiahao Foodstuff

Accounting for acquisitions requires the Group to allocate purchase price to specific assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. In connection with the business combination of Jiahao Foodstuff (Note 31), the Group has undertaken a process to identify all assets and liabilities acquired. Judgements made in identifying all acquired assets and liabilities, determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset's useful lives, could materially impact the calculation of goodwill and amortisation charges in subsequent periods. Estimated fair values are based on information available at the acquisition date and on expectations and assumptions that have been deemed reasonable by management. Determining the estimated useful lives of intangible assets acquired also requires judgement.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

5. 關鍵會計估計及判斷 (續)

5.1 關鍵會計估計及假設 (續)

(b) 中國企業所得稅及遞延稅項 (續)

當管理層認為日後可能有應課稅溢利可供動用以抵銷暫時差額或稅項虧損時，有關若干暫時差額及稅項虧損的遞延稅項資產會予以確認。其實際利用結果可能不同。

(c) 業務合併—嘉豪食品

收購的會計處理要求本集團根據收購日期的估計公允價值將購買價格分配至所購買的特定資產和所承擔的負債。就嘉豪食品業務合併(附註31)而言，本集團已採取流程識別所有已收購資產及負債。在確定所有已收購資產和負債，確定分配給每類資產和所承擔負債的估計公允價值以及資產的可使用年限時作出的判斷可能對後續期間的商譽和攤銷費用的計算產生重大影響。估計公允價值基於收購日期可獲得的信息以及管理層認為合理的預期和假設。確定所獲得的無形資產的估計可使用年限也需要判斷。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

6. REVENUE AND SEGMENT INFORMATION

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

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

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

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

- (1) Flavours and fragrances segment includes research and development, production and sale of flavours and fragrances products.
- (2) Tobacco raw materials segment includes research and development, production and sale of paper-making reconstituted tobacco leaves and new materials products that are innovative, functional and applicable to tobacco industry.
- (3) Aroma raw materials segment includes research and development, manufacture and sale of aroma raw materials products that are extracted from natural materials or generated from chemical process.
- (4) Condiment segment includes production, sales, marketing and distribution of condiments. This segment was established following the acquisition of Jiahao Foodstuff in September 2018.

The Innovative tobacco products segment presented as an independent segment in the preceding year is classified as a discontinued operation (Note 28).

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

6. 營業額及分部資料

本集團的經營分為四項主要營運分部：

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

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

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

- (1) 香精業務包括研發、生產及銷售香精產品。
- (2) 煙用原料業務包括研發、生產及銷售造紙法煙草薄片產品及創新、具功能性等適用於煙草行業的新材料產品。
- (3) 香原料業務包括研發、生產及銷售香原料產品，香原料乃通過化學反應合成或天然提取的「帶香物質」。
- (4) 調味品業務包括生產、銷售、營銷及分銷調味品產品。此分部於二零一八年九月收購嘉豪食品後成立。

於去年報告中列為獨立分部的新型煙草製品分部現已分類為終止經營業務（附註28）。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

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

The segment information for the nine months ended 31 December 2018 is presented below:

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

6. 營業額及分部資料 (續)

執行董事根據營運盈利的計量評估營運分部的表現。

截至二零一八年十二月三十一日止九個月之分部資料呈列如下：

		Nine months ended 31 December 2018 截至二零一八年十二月三十一日止九個月							
		Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Continuing operations (Total) 持續經營業務總計	Innovative tobacco products (Discontinued operation) 新型煙草製品 (終止經營) (Note 28) (附註28)	Total 總計
Total revenue	總營業額	1,674,710	720,110	513,152	170,979	12	3,078,963	120,586	3,199,549
Inter-segment revenue	分部間銷售	(10,315)	(5,448)	(4,493)	-	-	(20,256)	-	(20,256)
Segment revenue – net	分部營業額–淨額	1,664,395	714,662	508,659	170,979	12	3,058,707	120,586	3,179,293
Segment result	分部業績	952,540	325,092	57,405	23,451	(70,738)	1,287,750	155,921	1,443,671
Finance income	財務收入						154,344	4	154,348
Finance costs	融資成本						(76,913)	(19,086)	(95,999)
Finance income/(cost) – net	財務收入/(融資成本)–淨額						77,431	(19,082)	58,349
Share of profit of associates and a jointly controlled entity	應佔聯營公司及共同控制實體之盈利						9,776	-	9,776
Profit before income tax	除稅前盈利						1,374,957	136,839	1,511,796
Income tax expense	所得稅						(320,805)	-	(320,805)
Profit for the period	本期間盈利						1,054,152	136,839	1,190,991
Depreciation	折舊	21,850	61,286	11,855	2,905	2,804	100,700	1,785	102,485
Amortisation	攤銷	1,750	8,364	12,343	24,534	266	47,257	15,107	62,364

		As at 31 December 2018 於二零一八年十二月三十一日					
		Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Total 總計
Segment assets	分部資產	9,625,781	3,089,171	890,893	5,201,045	368,540	19,175,430

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The segment information for the year ended 31 March 2018 is presented below:

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

6. 營業額及分部資料 (續)

截至二零一八年三月三十一日止年度之分部資料呈列如下：

		Year ended 31 March 2018 (Restated) 截至二零一八年三月三十一日止年度 (經重列)						
		Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Others 其他	Continuing operations (Total) 持續經營業務總計	Innovative tobacco products (Discontinued operation) 新型煙草製品 (終止經營) (Note 28) (附註28)	Total 總計
Total revenue	總營業額	2,233,503	911,646	604,831	993	3,750,973	220,510	3,971,483
Inter-segment revenue	分部間銷售	(18,368)	(96,623)	(7,866)	-	(122,857)	-	(122,857)
Segment revenue – net	分部營業額—淨額	2,215,135	815,023	596,965	993	3,628,116	220,510	3,848,626
Segment result	分部業績	1,287,988	381,303	143,846	(80,993)	1,732,144	(93,902)	1,638,242
Finance income	財務收入					122,755	2	122,757
Finance costs	融資成本					(3,578)	(19,846)	(23,424)
Finance income/(cost) – net	財務收入/(融資成本)—淨額					119,177	(19,844)	99,333
Share of profit of associates	應佔聯營公司之盈利					8,232	-	8,232
Profit/(loss) before income tax	除稅前盈利/(虧損)					1,859,553	(113,746)	1,745,807
Income tax expense	所得稅					(349,687)	-	(349,687)
Profit/(loss) for the year	本年度盈利/(虧損)					1,509,866	(113,746)	1,396,120
Depreciation	折舊	36,962	77,312	13,131	1,289	128,694	3,918	132,612
Amortisation	攤銷	13,718	10,257	14,900	2,794	41,669	32,546	74,215

		As at 31 March 2018 於二零一八年三月三十一日					
		Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Innovative tobacco products 新型煙草製品	Others 其他	Total 總計
Segment assets	分部資產	8,695,901	3,320,044	741,625	224,443	1,318,897	14,300,910



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

6. REVENUE AND 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.

Non-current assets other than financial instruments and deferred tax assets of the Group as at 31 December 2018 and 31 March 2018 are mainly located in the PRC.

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

Revenue derived from sales made to the single largest external customer for the nine months ended 31 December 2018 amounted to 13% (year ended 31 March 2018: 15% (restated)) of the Group's total revenue from continuing operations. These revenues are attributable to flavours and fragrances segment.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

6. 營業額及分部資料 (續)

分部業績是代表各分部之盈利，當中並沒有包括未分類支出、融資成本、財務收入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，於二零一八年十二月三十一日及二零一八年三月三十一日，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香精、煙用原料、香原料以及調味品予國內客戶。

截至二零一八年十二月三十一日止九個月，來源於最大外部客戶的收入佔集團持續經營業務總收入13%（截至二零一八年三月三十一日止年度：15%（經重列））。這些收入是由香精分部產生的。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Liabilities related to contracts with customers

The Group has recognised the liabilities related to contracts with customers of RMB223,089,000 as at 31 December 2018.

(i) Significant changes in contract liabilities

The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance under the contracts which are mainly from sales of condiments. The increase in contract liabilities were mainly attributable to the acquisition of Jiahao Foodstuff (Note 31).

(ii) Revenue recognised in relation to contract liabilities

Revenue recognised during nine months ended 31 December 2018 that was included in the contract liabilities balance at the beginning of the period was RMB25,062,000.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

6. 營業額及分部資料 (續)

與客戶之合同相關的負債

於二零一八年十二月三十一日，本集團已確認與客戶合約有關之負債為人民幣223,089,000元。

(i) 合同負債的重大變動

本集團按照合約約定的付款安排自客戶處收到款項。款項通常於合約履約義務完成前收到，這些合約主要來自出售調味品。合同負債增加主要由於收購嘉豪食品(附註31)所致。

(ii) 與合同負債相關的已確認收入

截至二零一八年十二月三十一日止九個月的已確認收入中(包括於期初結轉合約負債餘額)的收入為人民幣25,062,000元。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

7. PROPERTY, PLANT AND EQUIPMENT

7. 物業、機器及設備

	Note	Buildings	Plant and machinery	Motor vehicles	Furniture, fixtures and equipment	Leasehold improvements	Construction in progress	Others	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	其他	總計
At 31 March 2017	於二零一七年四月一日								
Cost	成本	709,793	778,879	77,442	190,703	74,307	17,391	2,953	1,851,468
Accumulated depreciation	累計折舊	(244,554)	(398,717)	(58,649)	(121,025)	(32,483)	-	(418)	(855,846)
Net book amount	賬面淨值	465,239	380,162	18,793	69,678	41,824	17,391	2,535	995,622
Year ended 31 March 2018	截至二零一八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	465,239	380,162	18,793	69,678	41,824	17,391	2,535	995,622
Other additions	添置	1,374	19,478	1,591	12,858	4,722	94,971	-	134,994
Transfers	轉移	4,810	1,708	-	1,131	4,535	(12,184)	-	-
Acquisition of equity interest in Jiangxi Xianghai	收購江西香海之股權	1,085	13,895	-	449	-	585	-	16,014
Disposals	出售	33	(1,934)	(2,572)	(1,219)	-	(139)	-	(5,864)
Depreciation	折舊	(33,971)	(67,022)	(3,662)	(17,619)	(10,043)	-	(295)	(132,612)
Currency translation differences	貨幣換算差額	32	(1,299)	4	(416)	(53)	3	-	(1,729)
Net book amount at 31 March	於三月三十一日賬面淨值	438,569	344,988	14,154	64,862	40,985	100,627	2,240	1,006,425
At 31 March 2018	於二零一八年三月三十一日								
Cost	成本	717,109	807,794	54,461	200,957	82,497	100,627	2,953	1,966,398
Accumulated depreciation	累計折舊	(278,540)	(462,806)	(40,307)	(136,095)	(41,512)	-	(713)	(959,973)
Net book amount	賬面淨值	438,569	344,988	14,154	64,862	40,985	100,627	2,240	1,006,425
Nine months ended 31 December 2018	截至二零一八年十二月三十一日止九個月								
Net book amount at 1 April	於四月一日賬面淨值	438,569	344,988	14,154	64,862	40,985	100,627	2,240	1,006,425
Other additions	添置	965	21,003	4,853	13,889	7,479	203,044	8	251,241
Transfers	轉移	50,536	35,861	-	1,434	598	(88,429)	-	-
Acquisition of equity interest in Jiahao Foodstuff	收購嘉豪食品之股權	31	83,633	1,830	5,044	-	-	-	107,063
Acquisition of equity interest in Hunan Jishou	收購湖南吉首之股權	31	1,560	24	-	-	-	-	7,131
Disposal of subsidiaries	出售附屬公司之股權	32	(10,500)	(454)	(6,849)	(2,846)	-	-	(20,692)
Other disposals	出售	33	(53)	(2,545)	(1,212)	-	-	-	(4,838)
Depreciation	折舊	(24,600)	(55,894)	(2,987)	(11,606)	(7,177)	-	(221)	(102,485)
Currency translation differences	貨幣換算差額	(303)	290	33	508	196	-	-	724
Net book amount at 31 December	於十二月三十一日賬面淨值	539,807	365,352	16,836	66,070	39,235	215,242	2,027	1,244,569
At 31 December 2018	於二零一八年十二月三十一日								
Cost	成本	861,693	911,764	58,574	205,815	78,295	215,242	2,962	2,334,345
Accumulated depreciation	累計折舊	(321,886)	(546,412)	(41,738)	(139,745)	(39,060)	-	(935)	(1,089,776)
Net book amount	賬面淨值	539,807	365,352	16,836	66,070	39,235	215,242	2,027	1,244,569

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation was recorded in the following categories:

			Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度 (Restated) (經重列)
	Note 附註			
Manufacturing overheads	製造費用		56,532	69,996
Selling and marketing expenses	銷售及推廣開支		850	1,234
Administrative expenses	行政費用		43,318	57,464
Depreciation recognised in continuing operations	持續經營業務中 確認之折舊	24	100,700	128,694
Depreciation recognised in discontinued operation	終止經營業務中 確認之折舊		1,785	3,918
Total depreciation	折舊總額		102,485	132,612

As at 31 December 2018, buildings with net book value of RMB78,771,000 (31 March 2018: nil), were pledged as collateral for the Group's borrowings.

於二零一八年十二月三十一日，賬面淨值人民幣78,771,000元（二零一八年三月三十一日：無）的樓宇已抵押作為本集團的抵押品。

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

7. 物業、機器及設備（續）

折舊按以下分類支銷：



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

8. LAND USE RIGHTS

The Group's interests in land use rights represent prepaid operating lease payments and their net book amounts are analysed as follows:

		As at 31 December 2018	As at 31 March 2018
		於二零一八年 十二月三十一日	於二零一八年 三月三十一日
Outside Hong Kong, held on:	在香港境外		
	按以下年期持有:		
Leases between 10 and 50 years	10至50年的租約	187,310	171,856
		Nine months ended 31 December 2018	Year ended 31 March 2018
		截至 二零一八年 十二月三十一日 止九個月	截至 二零一八年 三月三十一日 止年度
		Note	
		附註	
At the beginning of the period/year	期初/年初	171,856	150,713
Other additions	添置	6,098	25,761
Acquisition of equity interest in Jiahao Foodstuff	收購嘉豪食品之股權	16,620	-
		31	
Acquisition of equity interest in Hunan Jishou	收購湖南吉首之股權	4,553	-
		31	
Disposal of a subsidiary	出售附屬公司	(7,330)	-
		32(a)	
Amortisation	攤銷	(4,471)	(4,622)
Currency translation differences	貨幣換算差額	(16)	4
At the end of the period/year	期末/年末	187,310	171,856

Land use rights with net book amount of RMB16,426,000 as at 31 December 2018 (31 March 2018: nil), were pledged as collateral for the Group's borrowings.

於二零一八年十二月三十一日，賬面淨值人民幣16,426,000元（二零一八年三月三十一日：無）的土地使用權已抵押作為本集團的抵押品。

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

8. 土地使用權

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：



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

9. INTANGIBLE ASSETS

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

9. 無形資產

	Note	Goodwill	Trademarks and licenses	Customer relationships	Non-competition agreement	Computer software	Patents	Product design	Domain name	Total
	附註	商譽	商標及許可證	客戶關係	非競爭協議	電腦軟件	專利	產品設計	網上平台	總計
		(a)	(b)							
At 1 April 2017	於二零一七年四月一日									
Cost	成本	2,276,413	287,166	256,261	3,876	13,430	49,405	75,892	46,424	3,008,867
Accumulated amortisation	累計攤銷	-	(58,655)	(226,735)	(3,431)	(9,235)	(24,264)	(16,865)	(12,026)	(351,211)
Net book amount	賬面淨值	2,276,413	228,511	29,526	445	4,195	25,141	59,027	34,398	2,657,656
Year ended 31 March 2018	截至二零一八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	2,276,413	228,511	29,526	445	4,195	25,141	59,027	34,398	2,657,656
Other additions	添置	-	-	-	-	824	802	-	-	1,626
Acquisition of equity interest in Jiangxi Xianghai	收購江西香海之股權	13,505	-	-	-	-	653	-	-	14,158
Amortisation	攤銷	-	(15,559)	(16,446)	(219)	(2,084)	(12,304)	(14,286)	(8,695)	(69,593)
Provision for impairment	減值撥備	(61,056)	-	-	-	-	-	-	-	(61,056)
Currency translation differences	貨幣換算差額	(491)	(5,520)	-	-	(169)	-	(2,578)	(2,205)	(10,963)
Net book amount at 31 March	於三月三十一日賬面淨值	2,228,371	207,432	13,080	226	2,766	14,292	42,163	23,498	2,531,828
At 31 March 2018	於二零一八年三月三十一日									
Cost	成本	2,228,371	280,862	256,261	3,876	13,596	50,859	71,421	43,587	2,948,833
Accumulated amortisation	累計攤銷	-	(73,430)	(243,181)	(3,650)	(10,830)	(36,567)	(29,258)	(20,089)	(417,005)
Net book amount	賬面淨值	2,228,371	207,432	13,080	226	2,766	14,292	42,163	23,498	2,531,828
Nine months ended 31 December 2018	截至二零一八年十二月三十一日止九個月									
Net book amount at 1 April	於四月一日賬面淨值	2,228,371	207,432	13,080	226	2,766	14,292	42,163	23,498	2,531,828
Other additions	添置	-	-	-	-	1,361	6,414	-	-	7,775
Acquisition of equity interest in Jiahao Foodstuff	收購嘉豪食品之股權	31	3,635,550	354,000	551,000	-	1,006	3	-	4,541,559
Acquisition of equity interest in Hunan Jishou	收購湖南吉首之股權	31	3,588	1,747	-	-	-	-	-	5,335
Disposal of subsidiaries	出售附屬公司之股權	32	-	(86,486)	(167)	(23)	(1,538)	(32,791)	(18,812)	(139,817)
Amortisation	攤銷	-	(16,000)	(22,971)	(10)	(759)	(6,737)	(7,257)	(4,159)	(57,893)
Currency translation differences	貨幣換算差額	-	4,522	7,555	(121)	120	1,776	(2,115)	(527)	11,210
Net book amount at 31 December	於十二月三十一日賬面淨值	5,867,509	465,215	548,497	72	2,956	15,748	-	-	6,899,997
At 31 December 2018	於二零一八年十二月三十一日									
Cost	成本	5,867,509	544,817	787,443	3,085	9,005	46,172	-	-	7,258,031
Accumulated amortisation	累計攤銷	-	(79,602)	(238,946)	(3,013)	(6,049)	(30,424)	-	-	(358,034)
Net book amount	賬面淨值	5,867,509	465,215	548,497	72	2,956	15,748	-	-	6,899,997

Amortisation 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。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

9. INTANGIBLE ASSETS (CONTINUED)

- (a) Goodwill is mainly attributable to the anticipated profitability of operations, the anticipated future operating synergies and enlarged market share. Goodwill arising from prior year is allocated to the Group's CGUs identified within the operating segment.

The goodwill is allocated in operating segments as follows:

		As at 31 December 2018 於二零一八年十二月三十一日					As at 31 March 2018 於二零一八年三月三十一日				
		Flavours and fragrances	Tobacco raw materials	Aroma raw materials	Condiment	Total	Flavours and fragrances	Tobacco raw materials	Aroma raw materials	Innovative tobacco products 新型 煙草製品	Total
		香精	煙用原料	香原料	調味品	總計	香精	煙用原料	香原料	煙草製品	總計
Goodwill	商譽	1,194,551	951,024	86,384	3,635,550	5,867,509	1,194,551	947,436	86,384	-	2,228,371

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

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

9. 無形資產(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分配至多個現金產生單位。

商譽根據經營分部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。上述採用計算基於管理層已批准的五年期財務預算而預計之稅前貼現現金流量計算。超逾五年期的現金流量使用的預計永續年增長率列示如下。該永續年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。所用之毛利率為稅前毛利率並反映下列各營運分部之特定風險。管理層根據過往的業績及其對市場發展的預期確定預計毛利率。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

9. INTANGIBLE ASSETS (CONTINUED)

(a) (Continued)

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

	As at 31 December 2018 於二零一八年十二月三十一日				As at 31 March 2018 於二零一八年三月三十一日			
	Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Innovative tobacco products 新型煙草製品
Terminal growth rate 永續年增長率	0%	3%	3%-5%	3%	0%	3%	3%	3%
Discount rate 貼現率	15.4%-15.8%	14.8%-23.5%	15.0%-24.5%	13.5%	15.4%	14.9%-15.5%	15.1%-24.4%	17.5%

These assumptions have been used for the analysis of each CGU within the operating segment.

Based on the assessment of the cash flow projections of the various CGUs, the Directors considered that there is no impairment of goodwill for the nine months ended 31 December 2018 (year ended 31 March 2018: impairment charge of goodwill amounting to RMB24,478,000 for the CGU of VMR Products under innovative tobacco products segment and RMB36,578,000 for the CGUs of fragrances subgroup under flavours and fragrances segment). Goodwill for the CGU of VMR Products under innovative tobacco products segment which was fully impaired previously was derecognised with the disposal of VMR Products (Note 32(b)).

(b) Trademarks represent Peacock, Xinghu, Samshiang, Chunzhu, Jinba, Jiahao, Zhanwang, Jinchan, and Sanfan trademarks.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

9. 無形資產(續)

(a) (續)

使用價值計算的主要假設如下：

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。

在評價多個現金產生單位的現金流預測後，本集團之董事確認截至二零一八年十二月三十一日止九個月本集團各分部之商譽並無減值。截至二零一八年三月三十一日止年度，新型煙草製品業務中之VMR Products現金產生單位及香精業務（主要是日用香精）之現金產生單位的商譽減值分別為人民幣24,478,000元及人民幣36,578,000元。已完全減值之新型煙草製品業務中之VMR Products現金產生單位的商譽因出售VMR Products而終止確認（附註32(b)）。

(b) 商標乃指孔雀、星湖、湘農山香、春竹、勁霸、嘉豪、詹王、金禪、三番牌商標。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

10. INVESTMENTS IN ASSOCIATES

The Group has interests in six (31 March 2018: five) individually immaterial associates as at 31 December 2018. The following table analyses, in aggregate, the movements of the carrying amount of the Group's investments in these associates, and its share of results of these associates.

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

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

10. 於聯營公司之投資

於二零一八年十二月三十一日，本集團於六個（二零一八年三月三十一日：五個）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：

		Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度
	Note		
	附註		
At the beginning of the period/year	期初／年初	371,444	379,106
Share of profit of associates	應佔聯營公司盈利	7,791	8,232
Dividends received or receivable	宣派股息	-	(15,894)
Acquisition of Delion Food Service Limited ("Delion")	收購深圳市德立安食品有限公司（「德立安」）	17,450	-
	(b)		
At the end of the period/year	期末／年末	396,685	371,444

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

10. INVESTMENTS IN ASSOCIATES (CONTINUED)

- (a) As at 31 December 2018, the Group had interests in the following associates:

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
Guizhou Huangguoshu Golden Leaf Technology Co., Ltd. ("Huangguoshu Golden Leaf") 貴州黃果樹金葉科技有限公司 (「黃果樹金葉」)	PRC 中國	40%	Produce and sell reconstituted tobacco leaves 生產和銷售再造煙葉
Yunnan Hongta Blue Eagle Paper Co., Ltd ("Yunnan Hongta") 雲南紅塔藍鷹紙業有限公司 (「雲南紅塔」)	PRC 中國	25.10%	Manufacture and sales of cigarette paper and auxiliary products 生產和銷售捲煙用紙及輔助品
Beijing Yunji Wuyu Technology Co., LTD 北京雲基物宇科技股份有限公司	PRC 中國	20%	Provide software development service and sale of self-developed software and electronic products 提供軟件開發服務及銷售自行開發之軟件及電子產品
Hunan Golden Leaf Reconstituted Tobacco Leaves Co., Ltd. ("Hunan Golden Leaf") (i) 湖南金葉煙草薄片有限責任公司 (「湖南金葉」) (i)	PRC 中國	10%	Produce and sell reconstituted tobacco leaves 生產和銷售再造煙葉
Yunnan Ruisheng Tobacco Technology Group Co., Ltd. ("Yunnan Ruisheng") (i) 雲南瑞升煙草技術(集團)有限公司 (「雲南瑞升」) (i)	PRC 中國	6.72%	Research, develop, produce and sell flavours and additives 研發、生產和銷售香精香料及添加劑
Delion (b) 德立安(b)	PRC 中國	15%	Sales of food products and provide professional food service solutions 銷售食材及提供專業食材解決方案

- (i) The Group has significant influence over Hunan Golden Leaf and Yunnan Ruisheng by representations on the board of directors of these two companies.
- (b) The Group acquired 15% of ownership interests of Delion in July 2018 at a cash consideration of RMB17,450,000 and has significant influence over it by representations on the board of directors.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

10. 於聯營公司之投資 (續)

- (a) 於二零一八年十二月三十一日，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
Guizhou Huangguoshu Golden Leaf Technology Co., Ltd. ("Huangguoshu Golden Leaf") 貴州黃果樹金葉科技有限公司 (「黃果樹金葉」)	PRC 中國	40%	Produce and sell reconstituted tobacco leaves 生產和銷售再造煙葉
Yunnan Hongta Blue Eagle Paper Co., Ltd ("Yunnan Hongta") 雲南紅塔藍鷹紙業有限公司 (「雲南紅塔」)	PRC 中國	25.10%	Manufacture and sales of cigarette paper and auxiliary products 生產和銷售捲煙用紙及輔助品
Beijing Yunji Wuyu Technology Co., LTD 北京雲基物宇科技股份有限公司	PRC 中國	20%	Provide software development service and sale of self-developed software and electronic products 提供軟件開發服務及銷售自行開發之軟件及電子產品
Hunan Golden Leaf Reconstituted Tobacco Leaves Co., Ltd. ("Hunan Golden Leaf") (i) 湖南金葉煙草薄片有限責任公司 (「湖南金葉」) (i)	PRC 中國	10%	Produce and sell reconstituted tobacco leaves 生產和銷售再造煙葉
Yunnan Ruisheng Tobacco Technology Group Co., Ltd. ("Yunnan Ruisheng") (i) 雲南瑞升煙草技術(集團)有限公司 (「雲南瑞升」) (i)	PRC 中國	6.72%	Research, develop, produce and sell flavours and additives 研發、生產和銷售香精香料及添加劑
Delion (b) 德立安(b)	PRC 中國	15%	Sales of food products and provide professional food service solutions 銷售食材及提供專業食材解決方案

- (i) 本集團通過在湖南金葉和雲南瑞升的董事會中委任董事，對這兩間公司有重大影響力。
- (b) 集團於二零一八年七月以人民幣17,450,000元收購德立安15%之股權，並於董事會中委任董事，對此公司有重大影響力。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

11. INVESTMENT IN A JOINTLY CONTROLLED ENTITY

The Group has interests in one immaterial joint venture as at 31 December 2018. The following table analyses the movement of the carrying amount of the Group's investments in this jointly controlled entity.

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

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

11. 於共同控制實體之投資

於二零一八年十二月三十一日，本集團於一個並非個別重大的共同控制實體擁有權益。下表為本集團於該共同控制實體的投資及應佔共同控制實體業績的賬面值變動的分析。

於共同控制實體的權益投資變動分析如下：

		Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月
At 1 April 2018	於二零一八年四月一日	5,100
Share of profit of a jointly controlled entity	應佔共同控制實體盈利	1,985
At 31 December 2018	於二零一八年十二月三十一日	7,085

(a) As at 31 December 2018, the Group had interests in the following jointly controlled entity:

(a) 於二零一八年十二月三十一日，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
Dianhua Benxiang Technology Co., LTD ("Dianhua Benxiang") 滇華本香科技有限公司(「滇華本香」)	PRC 中國	51%	Research, development, manufacture and sale of cigarette capsules, cigarette materials, cigarette filter stick and packaging materials 研究、開發、生產和銷售煙用 膠囊、捲煙材料、煙用濾棒材 料及包裝材料

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

		Note	Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度
At the beginning of the period/year	期初/年初		-	-
Reclassify unlisted equity securities from AFS to FVOCI	從可供出售金融資產重分類至以公允價值計量且其變動計入其他綜合收益之非上市權益投資		80,672	-
Additions for the period/year	本期間/年度增加		48,331	-
Fair value change	公允價值變動	19	28,332	-
Currency translation differences	貨幣換算差額		1,862	-
At the end of the period/year	期末/年末		159,197	-

Equity investments at FVOCI include:

以公允價值計量且其變動計入其他綜合收益之權益投資包括：

		Note	As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
Non-current assets:	非流動資產：			
Unlisted equity investments in the PRC: at fair value	於中國的非上市權益投資：公允值	(a)	51,640	-
Unlisted equity investments in Cayman Islands: at fair value	於開曼群島的非上市權益投資：公允值	(a)	34,776	-
Unlisted equity investments in Israel: at fair value	於以色列的非上市權益投資：公允值	(a)	72,781	-
			159,197	-

These investments were classified as AFS for the year ended 31 March 2018 (Note (b)).

截至二零一八年三月三十一日止年度，此等投資分類為可供出售金融資產（附註(b)）。

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

12. 以公允價值計量且其變動計入其他綜合收益之金融資產



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

- (a) The fair value of unlisted equity investments are based on market comparable companies with the following unobservable inputs used.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

12. 以公允價值計量且其變動計入其他綜合收益之金融資產(續)

- (a) 非上市權益投資之公允值乃根據市場上可比較之公司的不可觀察輸入值所釐定。

Unlisted equity interest	Fair value as at 公允值於		Valuation techniques 評估方法
	31 December 2018 二零一八年 十二月三十一日	31 March 2018 二零一八年 三月三十一日	
Private equity fund 私募基金	159,197	80,672	Net asset value 資產淨值

FVOCI are denominated in the following currencies:

以公允價值計量且其變動計入其他綜合收益之金融資產以下列貨幣列示：

		As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
RMB	人民幣	51,640	-
USD	美元	107,557	-
		159,197	-

None of these financial assets is impaired.

沒有金融資產已減值。

- (b) Financial assets previously classified as AFS (as at 31 March 2018)

- (b). 以前被分類為可供出售金融資產之金融資產(於二零一八年三月三十一日)

AFS include:

可供出售金融資產包括：

		As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
Non-current assets:	非流動資產：		
Unlisted equity investments in the PRC: at fair value	於中國的非上市權益投資： 公允值	-	30,261
Unlisted equity investments in Israel: at fair value	於以色列的非上市權益投資： 公允值	-	50,411
		-	80,672

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

13. DEFERRED INCOME TAX ASSETS/LIABILITIES

The movements in the deferred income tax are as follows:

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

13. 遞延所得稅資產／負債

遞延所得稅變動如下：

	Note	Deferred income tax assets 遞延所得稅資產				Deferred income tax liabilities 遞延所得稅負債		
		Unrealised profits arising from intra-group sales 集團內公司間銷售所產生的集團內未變現盈利	Recoverable tax loss 可彌補虧損	Others 其他	Total 總計	Valuation surplus of assets and recognition of intangible assets 資產評估盈餘及無形資產的確認	Withholding income tax on dividends expected to be remitted from group entities incorporated in the PRC 集團內位於中國國內的公司預期匯出的股息所產生之預提所得稅	Total 總計
At 1 April 2017 Acquisition of equity interest in Jiangxi Xianghai		54,154	7,142	5,448	66,744	38,260	18,047	56,307
Recognised in other comprehensive income	19	-	-	-	-	780	-	780
Recognised in the income statement	27	6,812	4,927	1,863	13,602	(7,216)	31,659	24,443
Currency translation differences		-	-	-	-	(623)	-	(623)
At 31 March 2018		60,966	12,069	7,311	80,346	31,680	49,706	81,386
Acquisition of equity interest in Jiahao Foodstuff	31	-	-	13,818	13,818	139,663	-	139,663
Acquisition of equity interest in Hunan Jishou	31	-	-	-	-	863	-	863
Disposal of a subsidiary	32	-	-	(25)	(25)	(1,685)	-	(1,685)
Recognised in other comprehensive income	19	-	-	-	-	1,924	-	1,924
Recognised in the income statement	27	6,107	9,697	1,650	17,454	(6,598)	39,063	32,465
Currency translation differences		-	-	-	-	(96)	-	(96)
At 31 December 2018		67,073	21,766	22,754	111,593	165,751	88,769	254,520

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

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

13. DEFERRED INCOME TAX ASSETS/LIABILITIES (CONTINUED)

Deferred income tax liabilities arose from the valuation surplus of property, plant and equipment, land use rights, intangible assets and FVOCI; 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% or 10% of the estimated profits to be remitted to Hong Kong. The Directors of the Company will review the funding requirements of the Group and revise the dividend distribution policy of its subsidiaries as appropriate.

As at 31 December 2018, deferred income tax liabilities of RMB227,378,000 (31 March 2018: RMB266,036,000) have not been recognised for the withholding tax that would otherwise be payable on the undistributed profits approximately RMB4,528,876,000 (31 March 2018: RMB5,315,584,000) retained by certain PRC subsidiaries.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

13. 遞延所得稅資產／負債（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、無形資產和以公允價值計量且其變動計入其他綜合收益之金融資產的評估盈餘、因收購附屬公司而確認之無形資產，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而產生。

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之直接母公司。因此，遞延所得稅負債乃按預期匯出香港之盈利以5%或10%的稅率計算。本公司董事將不時檢討本集團之資金需求並適時調整附屬公司之股息政策。

於二零一八年十二月三十一日，本集團並未就若干中國大陸附屬公司之未分派盈利約人民幣4,528,876,000元（二零一八年三月三十一日：人民幣5,315,584,000元）須予支付的預提所得稅確認遞延所得稅負債人民幣227,378,000元（二零一八年三月三十一日：人民幣266,036,000元）。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

13. DEFERRED INCOME TAX ASSETS/LIABILITIES (CONTINUED)

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

13. 遞延所得稅資產／負債（續）

遞延所得稅資產及負債的分析如下：

		As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
Deferred income tax assets:	遞延所得稅資產		
– to be recovered after more than 12 months	– 在十二個月後收回部份	21,766	12,069
– to be recovered within 12 months	– 在十二個月內收回部份	89,827	68,277
		111,593	80,346
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	239,905	77,678
– to become payable within 12 months	– 在十二個月內轉為應付部份	14,615	3,708
		254,520	81,386

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

14. INVENTORIES

		As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
At cost:	按成本：		
Raw materials	原材料	444,246	392,779
Work in progress	在製品	191,661	196,349
Finished goods	製成品	260,336	176,877
		896,243	766,005

For the nine months ended 31 December 2018, the cost of inventories recognised as expense and included in cost of goods sold and administrative expenses amounted to approximately RMB871,968,000 (year ended 31 March 2018: RMB934,354,000 (restated)).

The Group recognised provision for impairment of approximately RMB1,213,000 (31 March 2018: RMB2,587,000) in respect of the losses on obsolete inventories.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

14. 存貨

截至二零一八年十二月三十一日止期間之存貨成本確認為費用並計入銷售成本及行政費用的金額約為人民幣871,968,000元(二零一八年三月三十一日：人民幣934,354,000元(經重列))。

本集團就陳舊存貨減值而確認減值撥備約為人民幣1,213,000元(二零一八年三月三十一日：人民幣2,587,000元)。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

15. TRADE AND OTHER RECEIVABLES

		Note	As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
		附註		
Trade receivables	貿易應收款項	(a)	1,159,052	1,062,482
Less: provision for impairment of trade receivables	減：貿易應收款項減值撥備	4.1 (b)	(9,334)	(12,925)
Trade receivables – net	貿易應收款項－淨額		1,149,718	1,049,557
Notes receivable	應收票據		128,312	151,428
Prepayments and other receivables	預付款項及其他應收款項		244,977	240,919
Advances to staff	員工墊款		4,092	7,254
Others	其他		33,782	28,437
Less: provision for impairment of other receivables	減：其他應收款項減值撥備	4.1 (b)	(20,693)	(21,111)
			1,540,188	1,456,484

Except for prepayment of RMB54,214,000 (31 March 2018: RMB41,623,000), trade and other receivables are financial assets categorised as those to be measured at amortised cost. 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 their carrying amounts.

除預付賬款人民幣54,214,000元(二零一八年三月三十一日：人民幣41,623,000元)外，貿易及其他應收款被分類為「以攤銷成本計量的金融資產」。所有貿易及其他應收款項乃於一年內或於通知時清還。故貿易及其他應收款項賬面值與公允值相若。

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

15. 貿易及其他應收款項

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (a) The credit period generally granted to customers ranges from 0 to 180 days. At 31 December 2018 and 31 March 2018, 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:

		As at 31 December 2018	As at 31 March 2018
		於二零一八年 十二月三十一日	於二零一八年 三月三十一日
0 – 90 days	0至90日	1,029,914	908,682
91 – 180 days	91至180日	88,053	110,860
181 – 360 days	181至360日	23,781	12,872
Over 360 days	360日以上	17,304	30,068
		1,159,052	1,062,482

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. For the nine months ended 31 December 2018, a provision of RMB924,000 were made against the gross amounts of trade receivables (Note 4.1(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 December 2018	As at 31 March 2018
		於二零一八年 十二月三十一日	於二零一八年 三月三十一日
RMB	人民幣	1,135,770	1,041,002
USD	美元	23,124	21,330
HKD	港幣	158	150
		1,159,052	1,062,482

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

15. 貿易及其他應收款項 (續)

- (a) 授予客戶的信貸期一般為0至180日。於二零一八年十二月三十一日及二零一八年三月三十一日，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 December 2018	As at 31 March 2018
	於二零一八年 十二月三十一日	於二零一八年 三月三十一日
0 – 90 days	1,029,914	908,682
91 – 180 days	88,053	110,860
181 – 360 days	23,781	12,872
Over 360 days	17,304	30,068
	1,159,052	1,062,482

本集團採用簡化方法並根據香港財務報告準則第9號所規定計提預期信貸虧損。截至2018年12月31日止九個月，已對貿易應收款項總額作出人民幣924,000元之撥備(附註4.1(b))。

本集團的貿易應收款的賬面值(包括關聯人士的貿易應收款項)以下列貨幣為單位：

	As at 31 December 2018	As at 31 March 2018
	於二零一八年 十二月三十一日	於二零一八年 三月三十一日
RMB	1,135,770	1,041,002
USD	23,124	21,330
HKD	158	150
	1,159,052	1,062,482



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) (Continued)

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.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

15. 貿易及其他應收款項 (續)

(a) (續)

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。

16. 以公允價值計量且其變動計入損益之金融資產

		Nine months ended 31 December 2018 截至 二零一八年 十二月三十一 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一 止年度
	Note 附註		
At the beginning of the period/year	期初/年初	-	-
Reclassify bank financial products from AFS to FVPL	銀行理財產品從可供出售金融資產重分類至以公允價值計量且其變動計入損益之金融資產	(a) 102,000	-
Acquisition of equity interest in Jiahao Foodstuff	收購嘉豪食品之股權	31 180,811	-
Additions	增加	579,660	-
Disposal	出售	(293,257)	-
Fair value change	公允價值變動	23 5,035	-
Currency translation differences	貨幣換算差額	49	-
At the end of the period/year	期末/年末	574,298	-

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

FVPL include:

		Note	As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
Listed equity investments	上市之股本證券		59,121	-
Wealth management products	銀行財富管理產品	(a)	515,177	-
			574,298	-

(a) See Note 3 for explanations regarding the change in accounting policy and the reclassification of certain investments from AFS to FVPL following the adoption of HKFRS 9, and Note 2.11 for the relevant accounting policies.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

16. 以公允價值計量且其變動計入損益之金融資產(續)

以公允價值計量且其變動計入損益之金融資產包括：

	Note	As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
Listed equity investments		59,121	-
Wealth management products	(a)	515,177	-
		574,298	-

(a) 有關會計政策變更及於採納香港財務報告準則第9號後將某些投資從可供出售金融資產重新分類至以公允價值計量且其變動計入損益之金融資產的解釋，請見附註3，以及相關會計政策請見附註2.11。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

17. CASH AND BANK BALANCES

		Note	As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
Short-term time deposits	短期定期存款	(a)	1,606,790	1,076,955
Cash and cash equivalents	現金及現金等價物		5,535,601	6,635,651
			7,142,391	7,712,606

- (a) The original maturity of time deposits was six month or above with average interest rate of 3.4% (31 March 2018: 2.8%). The fair values of the short-term time deposits approximate their carrying amounts. None of the deposits is either past due or impaired.

Cash and bank balances are denominated in the following currencies:

			As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
RMB	人民幣		6,532,668	6,647,997
USD	美元		367,082	892,613
HKD	港幣		241,032	169,340
EUR and others	歐元及其他		1,609	2,656
			7,142,391	7,712,606

As at 31 December 2018, the Group's and the Company's maximum exposure to credit risk of cash and bank balances is their carrying amounts.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

17. 銀行及庫存現金

- (a) 短期定期存款的原到期日乃六個月或以上及其平均存款年利息率為3.4厘(二零一八年三月三十一日: 2.8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。

銀行及庫存現金以下列貨幣金額列示:

			As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
RMB	人民幣		6,532,668	6,647,997
USD	美元		367,082	892,613
HKD	港幣		241,032	169,340
EUR and others	歐元及其他		1,609	2,656
			7,142,391	7,712,606

於二零一八年十二月三十一日，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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

18. SHARE CAPITAL

Ordinary shares, issued and fully paid:

	Number of shares 股份數目	Share capital 股本 RMB'000 人民幣千元
At 31 March 2018, 1 April 2018 and 31 December 2018	於二零一八年三月三十一日， 二零一八年四月一日及 二零一八年十二月三十一日	3,107,962,876 318,647

For the nine months ended 31 December 2018, the Company repurchased a total of 126,000 shares of its own ordinary shares through the Stock Exchange at an aggregate consideration of approximately HKD402,000 (equivalent to approximately RMB352,000, excluding transaction costs). The shares with total par value of HKD12,600 (equivalent to approximately RMB11,000) repurchased were not cancelled and are recorded as "treasury shares" at 31 December 2018, which were subsequently cancelled on 14 January 2019. The amount paid on the repurchased shares was deducted from retained earnings of the Company. The highest price and lowest price paid for the repurchase was HKD3.20 per share and HKD3.15 per share respectively.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

18. 股本

普通股，已發行及繳足：

	Number of shares 股份數目	Share capital 股本 RMB'000 人民幣千元
At 31 March 2018, 1 April 2018 and 31 December 2018	於二零一八年三月三十一日， 二零一八年四月一日及 二零一八年十二月三十一日	3,107,962,876 318,647

截至二零一八年十二月三十一日止九個月，本公司透過聯交所總代價約港幣402,000元（相等於約人民幣352,000元，不包括交易成本）購回合共126,000股自有普通股。該等回購的總面值為港幣12,600元（相等於約人民幣11,000元）的股份於2018年12月31日仍未註銷且已記入「庫存股份」內，並隨後於2019年1月14日註銷。回購股份所支付之代價於本公司保留盈利中扣除。回購所支付之最高價與最低價分別為每股港幣3.20元及港幣3.15元。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

19. RESERVES

	Note	Contributed surplus	Treasury shares	Merger reserve	Share premium	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Currency translation reserve	Other reserves	Total
	附註	實繳盈餘	庫存股份	合併儲備	股份溢價	資本儲備	資本贖回儲備	以股份為基礎的酬金儲備	貨幣換算儲備	其他儲備	總計
At 1 April 2017	於二零一七年四月一日	296,853	-	(628,438)	429,861	2,411	4,749	39,120	35,622	799,586	979,764
Fair value changes on AFS, net of tax	可供出售金融資產之除稅後的公允價值變動 (a)	-	-	-	-	-	-	-	-	(39,458)	(39,458)
Appropriations from net profit	自純利撥付 20	-	-	-	-	-	-	-	-	193,243	193,243
Issue of new shares to non-controlling interests of Huabao Flavours & Fragrances Co., Ltd ("Huabao Flavours")	華寶香精股份有限公司 (「華寶香精」) 向非控制性權益發行新股	-	-	-	-	-	-	-	-	1,345,861	1,345,861
Additional investment in non-wholly owned subsidiaries	額外注資於非全資附屬公司	-	-	-	-	-	-	-	-	(478)	(478)
Employee share option scheme - Lapsed of share option	僱員購股權計劃 - 購股權失效	-	-	-	-	-	-	(39,120)	-	39,120	-
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	-	(135,359)	-	(135,359)
At 31 March 2018	於二零一八年三月三十一日	296,853	-	(628,438)	429,861	2,411	4,749	-	(99,737)	2,337,874	2,343,573
At 1 April 2018	於二零一八年四月一日	296,853	-	(628,438)	429,861	2,411	4,749	-	(99,737)	2,337,874	2,343,573
Fair value changes on FVOCI, net of tax	以公允價值計量且其變動計入其他綜合收益之金融資產之除稅後的公允價值變動 (a)	-	-	-	-	-	-	-	-	26,408	26,408
Appropriations from net profit	自純利撥付 20	-	-	-	-	-	-	-	-	74,372	74,372
Repurchases of shares	回購股份 18	-	(11)	-	-	-	11	-	-	-	-
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	-	127,532	-	127,532
At 31 December 2018	於二零一八年十二月三十一日	296,853	(11)	(628,438)	429,861	2,411	4,760	-	27,795	2,438,654	2,571,885

(a) For the nine months ended 31 December 2018, the amount of changes in fair value in FVOCI before tax is RMB28,332,000 (year ended 31 March 2018: RMB38,979,000) (Note 12), of which RMB1,924,000 (year ended 31 March 2018: RMB479,000) was recognised in other comprehensive income as deferred tax (Note 13).

(a) 截至二零一八年十二月三十一日止九個月，以公允價值計量且其變動計入其他綜合收益之金融資產之公允價值變動稅前金額為人民幣28,332,000元（截至二零一八年三月三十一日止年度：人民幣38,979,000元）（附註12），其中人民幣1,924,000元（截至二零一八年三月三十一日止年度：人民幣479,000元）已於其他全面收益確認為遞延稅項（附註13）。

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

19. 儲備

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

20. RETAINED EARNINGS

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

20. 保留盈利

		Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度
At the beginning of the period/year	期初／年初	8,601,342	8,528,166
Profit for the period/year	本期／年度盈利	1,017,959	1,263,797
Appropriations from net profit	自純利撥付	(74,372)	(193,243)
Final dividends for the year ended 31 March 2018	截至二零一八年三月三十一日 止年度之期末股息	(405,353)	-
Interim dividends for the six months ended 30 September 2018	截至二零一八年九月三十日止 六個月之中期股息	(275,620)	-
Repurchase of shares	回購股份	(352)	-
Final dividends for the year ended 31 March 2017	截至二零一七年三月三十一日 止年度之期末股息	-	(576,800)
Interim and special dividends for the six months ended 30 September 2017	截至二零一七年九月三十日 止六個月之中期及特別股息	-	(420,578)
At the end of the period/year	期末／年末	8,863,604	8,601,342

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

21. BORROWINGS

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

21. 貸款

			As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
Non-current	非流動			
Long-term bank borrowings	長期銀行貸款			
– Secured bank borrowings	– 有抵押銀行貸款	(a)	2,888,092	–
– Unsecured bank borrowings	– 無抵押銀行貸款	(b)	12,751	–
Less: current portion	減：流動部分		(144,405)	–
			2,756,438	–
Current	流動			
Short-term bank borrowings	短期銀行貸款			
– Unsecured bank borrowings	– 無抵押銀行貸款	(b)	789,296	210,000
Current portion of non-current liabilities	非流動負債下之流動部分			
– Secured bank borrowings	– 有抵押銀行貸款	(a)	144,405	–
			933,701	210,000
Total borrowings	總貸款		3,690,139	210,000

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

21. BORROWINGS (CONTINUED)

- (a) The Group entered into a bank loan agreement in August 2018 for a loan amount of approximately RMB2,888,092,000 for the payment of the consideration for the acquisition of Jiahao Foodstuff and related expenses. The loan is repayable within five years and is secured by the equity interest in Jiahao Foodstuff Limited and Guangdong Jiahao Foodstuff Co., Ltd (“Guangdong Jiahao”), and its land and buildings in Zhongshan with total carrying values of RMB95,197,000. During the period, the average interest rate of the loan was 5.70% per annum.
- (b) The unsecured bank borrowings are repayable within one to two year. During the period, the average interest rate was 3.72% (year ended 31 March 2018: 4.25%) per annum.

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

Interest expense on bank borrowings for the nine months ended 31 December 2018 amounted to approximately RMB76,183,000 (year ended 31 March 2018: RMB3,578,000 (restated)). No interest expense (year ended 31 March 2018: nil) was capitalised during the period.

An analysis of the carrying amounts of the Group’s borrowings by type is as follows:

		As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
At fixed rates	固定利率	3,181,942	210,000
At floating rates	浮動利率	508,197	-
		3,690,139	210,000

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

21. 貸款 (續)

- (a) 本集團於二零一八年八月簽訂銀行貸款協議，貸款金額約為人民幣2,888,092,000元，用於支付收購嘉豪食品的代價款及有關之費用。該貸款於五年內償還，並以嘉豪食品有限公司和廣東嘉豪食品有限公司（「廣東嘉豪」）之股權及其位於中山的土地及樓宇（總賬面值為人民幣95,197,000元）作為抵押。於期內，該貸款平均利息為每年5.70厘。
- (b) 無抵押銀行貸款需於一至兩年內到期償還。於期內，該貸款平均利息為每年3.72厘（二零一八年三月三十一日：4.25厘）。

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。

截至二零一八年十二月三十一日止九個月的銀行貸款利息開支約為人民幣76,183,000元（截至二零一八年三月三十一日止年度：人民幣3,578,000元（經重列）），於期內並無（截至二零一八年三月三十一日止年度：無）利息費用資本化。

按類別分析本集團貸款的賬面值如下：



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

21. BORROWINGS (CONTINUED)

At 31 December 2018, the maturities of the borrowings are as follows:

		As at 31 December 2018	As at 31 March 2018
		於二零一八年 十二月三十一日	於二零一八年 三月三十一日
Within 1 year	一年以內	933,701	210,000
Between 1 and 2 years	一至二年	445,964	-
Between 2 and 5 years	二至五年	2,310,474	-
		3,690,139	210,000

The carrying amounts of the Group's borrowings were denominated in the following currencies:

		As at 31 December 2018	As at 31 March 2018
		於二零一八年 十二月三十一日	於二零一八年 三月三十一日
RMB	人民幣	3,181,942	210,000
HKD	港幣	508,197	-
		3,690,139	210,000

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

21. 貸款(續)

於二零一八年十二月三十一日，本集團應償還的銀行借款如下：

	As at 31 December 2018	As at 31 March 2018
	於二零一八年 十二月三十一日	於二零一八年 三月三十一日
Within 1 year	933,701	210,000
Between 1 and 2 years	445,964	-
Between 2 and 5 years	2,310,474	-
	3,690,139	210,000

銀行貸款是以下列貨幣為單位：

	As at 31 December 2018	As at 31 March 2018
	於二零一八年 十二月三十一日	於二零一八年 三月三十一日
RMB	3,181,942	210,000
HKD	508,197	-
	3,690,139	210,000



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

22. TRADE AND OTHER PAYABLES

			As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
	Note 附註			
Trade payables		貿易應付款項	338,697	348,522
Dividends payable		應付股息	272,320	-
Wages payable		應付工資	93,537	46,797
Other taxes payable		其他應付稅項	144,941	90,452
Accruals for expenses		應計開支	17,931	23,435
Advances from customers		客戶預付款	-	25,590
Payable for licence fee		應付專利權費	-	27,744
Other payables		其他應付款項	130,240	120,735
			997,666	683,275

Except for other taxes payable of RMB144,941,000 (31 March 2018: RMB90,452,000), wages payable of RMB93,537,000 (31 March 2018: RMB46,797,000) and advances from customers of nil (31 March 2018: RMB25,590,000), trade and other payables balances are financial liabilities categorised under "financial liabilities measured at amortised cost". The fair values of trade and other payables approximate their carrying amounts.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

22. 貿易及其他應付款項

除其他應付稅款人民幣144,941,000元(二零一八年三月三十一日：人民幣90,452,000元)、應付工資人民幣93,537,000元(二零一八年三月三十一日：人民幣46,797,000元)及客戶預付款：無(二零一八年三月三十一日：人民幣25,590,000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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

22. TRADE AND OTHER PAYABLES (CONTINUED)

- (a) As at 31 December 2018 and 31 March 2018, the ageing analysis of the trade payables (including amounts due to related parties which are trade in nature) based on invoice dates was as follows:

		As at 31 December 2018	As at 31 March 2018
		於二零一八年 十二月三十一日	於二零一八年 三月三十一日
0 – 90 days	0至90日	296,844	312,436
91 – 180 days	91至180日	24,839	23,887
181 – 360 days	181至360日	5,678	2,067
Over 360 days	360日以上	11,336	10,132
		338,697	348,522

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 December 2018	As at 31 March 2018
		於二零一八年 十二月三十一日	於二零一八年 三月三十一日
RMB	人民幣	325,476	290,590
USD	美元	6,789	46,927
HKD	港幣	31	4,131
EUR and other	歐元及其他	6,401	6,874
		338,697	348,522

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

22. 貿易及其他應付款項 (續)

- (a) 於二零一八年十二月三十一日及二零一八年三月三十一日，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 December 2018	As at 31 March 2018
	於二零一八年 十二月三十一日	於二零一八年 三月三十一日
0 – 90 days	296,844	312,436
91 – 180 days	24,839	23,887
181 – 360 days	5,678	2,067
Over 360 days	11,336	10,132
	338,697	348,522

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：

	As at 31 December 2018	As at 31 March 2018
	於二零一八年 十二月三十一日	於二零一八年 三月三十一日
RMB	325,476	290,590
USD	6,789	46,927
HKD	31	4,131
EUR and other	6,401	6,874
	338,697	348,522



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

23. OTHER INCOME AND OTHER GAINS – NET

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

23. 其他收入及其他收益－淨額

			Nine months ended 31 December 2018 截至 二零一八年 十二月三十一 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一 止年度 (Restated) (經重列)
	Note 附註			
Changes in fair value of FVPL	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	16	5,035	–
Government grants	政府津貼		101,141	183,486
Foreign exchange gain – net	匯兌收益－淨額		15,976	3,511
(Loss)/gain on disposal of subsidiaries	出售附屬公司之(虧損)/ 收益		(2,539)	454
Gain on disposal of AFS	出售可供出售金融資產 之收益		–	3,987
Gain on disposal of FVPL	出售以公允值計量且其 變動計入損益的金融 資產的收益		665	–
Others	其他		2,045	3,950
			122,323	195,388

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

24. EXPENSES BY NATURE

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

		Note	Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度 (Restated) (經重列)
Depreciation	折舊	7	85,776	105,985
Amortisation	攤銷	6	44,699	38,614
Provision for impairment of goodwill	商譽減值撥備	9	–	36,578
Provision for impairment of inventories	存貨減值撥備		762	–
Provision for impairment of non-current assets	其他非流動資產減值撥備		–	36,000
Changes in inventories of finished goods and work in progress	製成品及在製品存貨變動		108,816	4,753
Raw materials and consumables used	已用原材料及消耗品		709,542	821,924
Lease rentals	租金		21,336	32,878
Auditor's remuneration	核數師酬金		8,096	6,036
Consulting service fee	專業服務費		48,867	38,331
Travelling expenses	差旅開支		34,226	47,579
Employee benefit expenses	僱員及福利開支	25	284,884	273,062
Research and development expenses	研究及發展開支	(a)	198,408	275,820
Delivery expenses	運輸開支		37,141	40,219
Utilities expenses	公共設施開支		57,347	67,237
Motor vehicle expenses	汽車費用開支		8,709	10,434
Maintenance expenses	維修費		20,309	21,314
Advertising and promotion expenses	廣告及宣傳費		59,079	47,221
Office administrative and communication expenses	辦公及通訊費		7,026	8,934
Other surcharges	其他附加稅費		49,264	58,365
Others	其他		107,377	100,787
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		1,891,664	2,072,071

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

24. 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：



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

24. EXPENSES BY NATURE (CONTINUED)

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

		Note 附註	Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度 (Restated) (經重列)
Depreciation	折舊	7	14,924	22,709
Amortisation	攤銷	6	2,558	3,055
Employee benefit expenses	僱員及福利開支	25	89,581	90,206

No development cost has been capitalised for the nine months ended 31 December 2018 (year ended 31 March 2018: nil).

在截至二零一八年十二月三十一日止九個月內並無任何發展成本已資本化(二零一八年三月三十一日:無)。

25. EMPLOYMENT BENEFIT EXPENSES

		Note 附註	Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度 (Restated) (經重列)
Wages, salaries and bonus	工資、薪酬及花紅		321,402	302,295
Defined contribution plans and other employee insurances	定額供款計劃及其他 員工保險	(a)	33,701	35,330
Other benefits	其他福利		19,362	25,643
			374,465	363,268

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

24. 按性質分類的開支(續)

- (a) 研究及發展開支中包括的折舊、攤銷及僱員福利開支列示如下：

25. 僱員福利開支



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

25. EMPLOYMENT BENEFIT EXPENSES (CONTINUED)

(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 contributions 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.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

25. 僱員福利開支(續)

(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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

25. EMPLOYMENT BENEFIT EXPENSES (CONTINUED)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the period include 2 (year ended 31 March 2018: 2) directors whose emoluments are reflected in Note 38(a). The emoluments paid and payable to the remaining 3 (year ended 31 March 2018: 3) individuals during the period are as follows:

		Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度
Basic salaries and allowances	基本薪金及津貼	15,111	19,556
Contributions to the retirement scheme	退休福利計劃供款	143	120
		15,254	19,676

The emoluments fell within the following bands:

彼等之酬金在以下範圍：

		Number of employees 僱員人數	
		Nine months ended 31 December 2018 截至 二零一八年 十二月 三十一日 止 九個月	Year ended 31 March 2018 截至 二零一八年 三月 三十一日 止 年度
Emolument bands	酬金範圍		
HKD3,000,001– HKD3,500,000	港幣3,000,001元–港幣3,500,000元	1	–
HKD4,000,001– HKD4,500,000	港幣4,000,001元–港幣4,500,000元	1	–
HKD5,500,001– HKD6,000,000	港幣5,500,001元–港幣6,000,000元	–	1
HKD7,000,001– HKD7,500,000	港幣7,000,001元–港幣7,500,000元	–	1
HKD10,000,001–HKD10,500,000	港幣10,000,001元–港幣10,500,000元	1	1

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

25. 僱員福利開支(續)

(b) 五名最高薪酬人士

期內，在本集團之五名最高薪酬人士包括兩位(截至二零一八年三月三十一日止年度：兩位)為董事，而彼等之酬金詳情已載於附註38(a)。本期間支付予其餘三位人士(截至二零一八年三月三十一日止年度：三位)之酬金如下：

		Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度
Basic salaries and allowances	基本薪金及津貼	15,111	19,556
Contributions to the retirement scheme	退休福利計劃供款	143	120
		15,254	19,676

The emoluments fell within the following bands:

彼等之酬金在以下範圍：

		Number of employees 僱員人數	
		Nine months ended 31 December 2018 截至 二零一八年 十二月 三十一日 止 九個月	Year ended 31 March 2018 截至 二零一八年 三月 三十一日 止 年度
Emolument bands	酬金範圍		
HKD3,000,001– HKD3,500,000	港幣3,000,001元–港幣3,500,000元	1	–
HKD4,000,001– HKD4,500,000	港幣4,000,001元–港幣4,500,000元	1	–
HKD5,500,001– HKD6,000,000	港幣5,500,001元–港幣6,000,000元	–	1
HKD7,000,001– HKD7,500,000	港幣7,000,001元–港幣7,500,000元	–	1
HKD10,000,001–HKD10,500,000	港幣10,000,001元–港幣10,500,000元	1	1

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

26. FINANCE INCOME AND FINANCE COSTS

		Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度 (Restated) (經重列)
Finance income:	財務收入		
– Interest income on bank deposits	利息收入—銀行存款	154,344	122,755
Finance costs:	融資成本		
– Interest expense on bank borrowings and others	利息費用—銀行貸款及其他	(76,913)	(3,578)
Finance income – net	財務收入—淨額	77,431	119,177

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

26. 財務收入及融資成本

27. INCOME TAX EXPENSE

The amount of taxation charged to the consolidated income statements represents:

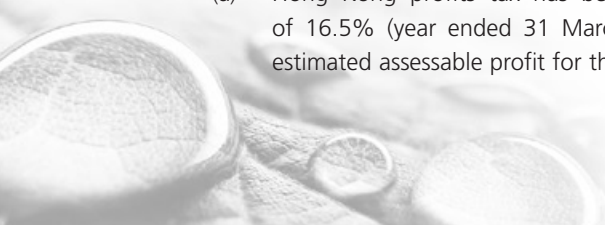
27. 所得稅

計入綜合收益表之稅項金額列示如下：

		Note 附註	Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度 (Restated) (經重列)
Current income tax	即期稅項			
– Hong Kong profits tax	– 香港所得稅	(a)	8,577	11,236
– PRC corporate income tax	– 中國企業所得稅	(b)	295,947	326,454
– Germany company income tax	– 德國企業所得稅	(c)	122	99
– Botswana company income tax	– 博茨瓦納企業所得稅	(d)	1,148	1,057
Deferred income tax	遞延所得稅	13	15,011	10,841
			320,805	349,687

(a) Hong Kong profits tax has been provided at the rate of 16.5% (year ended 31 March 2018: 16.5%) on the estimated assessable profit for the period.

(a) 香港所得稅按本期間估計應課稅盈利以稅率16.5% (截至二零一八年三月三十一日止年度：16.5%)撥備。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

27. INCOME TAX EXPENSE (CONTINUED)

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

The income tax rates enacted or substantively enacted to the major subsidiaries of the Group incorporated in the PRC are derived from various tax policies as follows:

- (i) The Corporate Income Tax Law of the PRC stipulates the applicable income tax rate at 25% for domestic enterprises in the PRC.
- (ii) Enterprises supported by Western Development Strategy 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.
- (c) Germany company income tax has been provided at the rate of 15% (year ended 31 March 2018: 15%) on the estimated assessable profit for the period.
- (d) Botswana company income tax has been provided at the rate of 15% (year ended 31 March 2018: 15%) on the estimated assessable profit for the period.
- (e) No provision for income tax in other jurisdictions has been made as the Group had no assessable profit in other jurisdictions during the period.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

27. 所得稅(續)

- (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。

本集團於中國大陸註冊之主要企業的所得稅適用稅率來自不同的政策如下：

- (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。
- (c) 德國企業所得稅按本期間估計應課稅盈利以稅率15% (截至二零一八年三月三十一日止年度：15%) 撥備。
- (d) 博茨瓦納企業所得稅按本期間估計應課稅盈利以稅率15% (截至二零一八年三月三十一日止年度：15%) 撥備。
- (e) 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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

27. INCOME TAX EXPENSE (CONTINUED)

- (f) The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the standard tax rates applicable to the respective companies of the Group as follows:

		As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日 (Restated) (經重列)
	Note 附註		
Profit before income tax	除稅前盈利	1,374,957	1,859,553
Less: Share of profit of associates and a jointly controlled entity	減：應佔聯營公司及共同控制實體之盈利	(9,776)	(8,232)
	10	1,365,181	1,851,321
Tax calculated at statutory tax rate	按適用稅率計算的稅項	426,499	513,496
Tax incentives	稅收優惠影響	(145,075)	(214,362)
Super deduction for research and development expenditure	研發費用加計扣除的影響	(11,881)	(9,390)
Utilisation of previously unrecognised tax losses	動用之前未確認的稅務虧損	(5,648)	(6,505)
Expenses not deductible for tax purposes	不可扣稅開支之稅務影響	3,067	18,989
Income not subject to tax	無須課稅收入的影響	(6,392)	-
Withholding tax on the earnings from subsidiaries	附屬公司匯出的股息所產生之預提所得稅	55,315	27,531
Tax losses for which no deferred income tax assets were recognised	並無確認遞延所得稅資產的稅務虧損	4,920	19,928
Income tax expense	所得稅	320,805	349,687

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

27. 所得稅(續)

- (f) 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：



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

27. INCOME TAX EXPENSE (CONTINUED)

As the Directors are not certain whether future taxable profit would be available in certain subsidiaries, the Group did not recognise deferred income tax assets of RMB81,088,000 (31 March 2018: RMB114,480,000) as at 31 December 2018 in respect of tax losses of such dormant subsidiaries amounting to RMB474,676,000 (31 March 2018: RMB541,388,000). The tax loss will expire in the following years:

		As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
Year	年度		
2019	二零一九年	24,378	14,866
2020	二零二零年	81,756	31,753
2021	二零二一年	27,065	92,687
2022	二零二二年	68,508	35,762
2023	二零二三年	58,046	76,372
No expiring date	沒有到期日	214,923	289,948
		474,676	541,388

28. DISCONTINUED OPERATION

As disclosed in Note 1, the consideration of the disposal of VMR Products was approximately USD31,352,000 (equivalent to approximately RMB215,679,000). Its related results were presented in the consolidated income statement as a discontinued operation.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

27. 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稅虧損人民幣474,676,000元(二零一八年三月三十一日：人民幣541,388,000元)的遞延所得稅資產約人民幣81,088,000元(二零一八年三月三十一日：人民幣114,480,000元)。可抵稅虧損將於下列年度到期：

28. 終止經營業務

如在附注1中說明，出售VMR Products的代價約為美元31,352,000(相等於約人民幣約215,679,000元)，其業績於綜合收益表中列示為終止經營業務。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

28. DISCONTINUED OPERATION (CONTINUED)

The financial performance and cash flow information presented below reflects the discontinued operation of VMR Products for the nine months ended 31 December 2018 (as of the date of disposal) and the year ended 31 March 2018.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

28. 終止經營業務(續)

以下呈列截至二零一八年十二月三十一日止九個月(截至出售日止期間)及截至二零一八年三月三十一日止年度終止經營業務的VMR Products之業績及現金流量資料。

		Nine months ended 31 December 2018 截至 二零一八年 十二月三十一 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一 止年度
Revenue	營業額	120,586	220,510
Cost of goods sold	銷售成本	(63,436)	(97,909)
Other income and other gains/(losses)-net	其他收入及其他收益/ (虧損)－淨額	2,302	(925)
Administrative expenses	行政費用	(74,656)	(182,207)
Selling and marketing expenses	銷售費用	(11,748)	(33,371)
Finance cost – net	融資成本－淨額	(19,082)	(19,844)
Loss before income tax	除稅前虧損	(46,034)	(113,746)
Income tax expense	所得稅	–	–
Loss after income tax of discontinued operation	除稅後終止經營業務之虧損	(46,034)	(113,746)
Gain on disposal of VMR Products after income tax (Note 32)	出售VMR Products之除稅後 收益(附註32)	182,873	–
Profit/(loss) from discontinued operation	終止經營業務之盈利/(虧損)	136,839	(113,746)
Net cash inflow from operating activities	營運活動產生之現金淨額	38,084	7,441
Net cash (outflow)/inflow from investing activities	投資活動(所用)/產生之 現金淨額	(1,282)	2
Net cash outflow from financing activities	融資活動所用之現金淨額	(19,727)	(19,846)
Net increase/(decrease) in cash and cash equivalents generated from discontinued operation	終止經營業務之現金及現金等 價物增加/(減少)	17,075	(12,403)

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

29. EARNINGS/(LOSS) PER SHARE

(a) Basic and diluted

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period/year excluding treasury shares.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

29. 每股盈利／（虧損）

(a) 基本及攤薄

每股基本盈利乃根據本期間／年度本公司權益持有人應佔盈利／（虧損），除以期內／年內已發行普通股（扣除庫存股）的加權平均數目計算。

		Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度 (Restated) (經重列)
Profit attributable to equity holders of the Company from continuing operations	本公司權益持有人應佔來自持續經營業務之盈利	863,440	1,343,236
Profit/(loss) attributable to equity holders of the Company from discontinued operation	本公司權益持有人應佔來自終止經營業務之盈利／（虧損）	154,519	(79,439)
Profit attributable to equity holders of the Company	本公司權益持有人應佔盈利	1,017,959	1,263,797
Weighted average number of ordinary shares in issue ('000)	已發行之普通股之加權平均數（千計）	3,107,958	3,107,963
Basic and diluted earnings/(loss) per share attributable to owners of the Company (RMB cents per share):	本公司權益持有人應佔每股基本及攤薄盈利／（虧損）（每股人民幣分）:		
From continuing operations	來自持續經營業務	27.78	43.22
From discontinued operation	來自終止經營業務	4.97	(2.56)
		32.75	40.66

The Company had no dilutive potential shares in issue, and thus the diluted earnings per share was the same as the basic earnings per share.

由於本公司並無潛在可攤薄普通股，故每股攤薄盈利與每股基本盈利相等。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

30. DIVIDENDS

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

30. 股息

		Nine months ended 31 December 2018 截至 二零一八年 十二月三十一 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一 止年度
Payable/paid interim dividend of HK10.0 cents (Year ended 31 March 2018: HK10.3 cents) per share	應付／已付中期股息每股港幣10.0仙(截至二零一八年三月三十一日止年度：港幣10.3仙)	275,620	270,746
Paid special dividend: nil (Year ended 31 March 2018: HK5.7 cents) per share	已付特別股息每股港幣：無(截至二零一八年三月三十一日止年度：港幣5.7仙)	-	149,832
		275,620	420,578
Proposed/paid final dividend of HK8.8 cents (Year ended 31 March 2018: HK15.0 cents) per share	擬派／已付期末股息每股港幣8.8仙(截至二零一八年三月三十一日止年度：港幣15.0仙)	239,632	405,353
Proposed special dividend of HK18.9 cents (Year ended 31 March 2018: Nil) per share	擬派特別股息每股港幣18.9仙(截至二零一八年三月三十一日止年度：無)	514,663	-
		754,295	405,353
		1,029,915	825,931

On 12 March 2019, the Board proposed a final dividend of HK 8.8 cents (year ended 31 March 2018: HK15.0 cents) per share and a special dividend of HK 18.9 cents (year ended 31 March 2018: nil) per share, totalling approximately RMB754,295,000 (year ended 31 March 2018: RMB405,353,000) for the nine months ended 31 December 2018. The proposed dividend in respect of the nine months ended 31 December 2018 is calculated based on the total number of shares in issue as at the date of this report. The proposed dividend is subject to the shareholder's approval at the Company's forthcoming Annual General Meeting. The financial statements do not reflect this dividend payable.

於二零一九年三月十二日，董事會建議派發截至二零一八年十二月三十一日止九個月的期末股息每股港幣8.8仙(截至二零一八年三月三十一日止年度：港幣15.0仙)及特別股息每股港幣18.9仙(截至二零一八年三月三十一日止年度：無)，期末及特別股息共約人民幣754,295,000元(截至二零一八年三月三十一日止年度：人民幣405,353,000元)。截至二零一八年十二月三十一日止九個月的擬派股息乃按照於本報告日期已發行股份總數計算。建議派發之股息需要於本公司臨近舉行的股東週年大會上獲股東批准。財務報表未反映此應付股息。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

31. BUSINESS COMBINATIONS

(a) Acquisition of Jiahao Foodstuff

In September 2018, New Generation Global Limited, a wholly owned subsidiary of the Company, entered into an agreement with independent third parties to acquire 100% equity interest in Jiahao Foodstuff, for a cash consideration of approximately USD695,985,000 (equivalent to approximately RMB4,745,437,000). Jiahao Foodstuff is principally engaged in the production, sales, marketing and distribution of condiment products in the PRC.

On 4 September 2018, the Group completed acquisition of Jiahao Foodstuff and has effective control over it. After the acquisition, the Group will focus on the complementary products in the taste-based fast-moving consumer products, including products in the niche markets such as flavours and fragrances, additives, ingredients and packing materials, condiments, etc. It is expected to play a synergistic effect.

The goodwill of RMB3,635,550,000 arising from the acquisition is attributable to the synergy and economics of scale expected from combining the operations of the Group and Jiahao Foodstuff. None of the goodwill recognised is expected to be deductible for income tax purposes.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

31. 業務合併

(a) 收購嘉豪食品

於二零一八年九月，本公司之全資附屬公司New Generation Global Limited與獨立第三方簽署協議，以現金代價695,985,000美元（折合約人民幣4,745,437,000元）收購嘉豪食品的100%權益。嘉豪食品主要在中國從事生產、銷售、營銷及分銷調味品產品。

本集團已於二零一八年九月四日完成收購嘉豪食品並對其有效控制。在作出是項收購後，本集團將聚焦味覺系快消品之配套產品，包括香精產品、添加劑、配料及包裝材料、調味品等細分市場之產品，預期可發揮協同效應作用。

收購產生的商譽人民幣3,635,550,000元乃來自於整合本集團及嘉豪食品之經營後預期產生的協同效應和經營效益。確認產生的商譽預期不可扣除所得稅。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

31. BUSINESS COMBINATIONS (CONTINUED)

(a) Acquisition of Jiahao Foodstuff (Continued)

Details of net assets acquired and goodwill are as follows:

Consideration – cash paid	收購對價-現金支付	4,745,437
Less: fair value of identifiable net assets acquired – shown below	減：收購可辨認淨資產之公允價值 — 詳列下文	(1,109,887)
Goodwill (Note 9)	商譽(附註9)	3,635,550

The fair value of assets and liabilities arising from the acquisition are as follows:

Property, plant and equipment (Note 7)	物業、機器及設備(附註7)	107,063
Land use rights (Note 8)	土地使用權(附註8)	16,620
Intangible assets (Note 9)	無形資產(附註9)	906,009
Inventories	存貨	22,694
Trade and other receivables	貿易及其他應收款項	13,845
FVPL	以公允價值計量且其變動計入損益之金融資產	180,811
Cash and cash equivalents	現金及現金等價物	163,760
Deferred income tax assets (Note 13)	遞延所得稅資產(附註13)	13,818
Trade and other payables	貿易及其他應付款項	(77,373)
Contract liabilities	合同負債	(97,697)
Deferred tax liabilities (Note 13)	遞延所得稅負債(附註13)	(139,663)

Fair value of identifiable net assets acquired	收購之資產公允價值	1,109,887
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Outflow of cash to acquire business (net of cash acquired)	收購業務之現金流出 (扣除收購之淨現金)	
Consideration – cash paid	以現金支付收購代價	4,745,437
Cash and cash equivalents in a subsidiary acquired	收購附屬公司內的現金及現金等價物	(163,760)

Net cash outflow on acquisition	收購的淨現金流出	4,581,677
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綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

31. 業務合併(續)

(a) 收購嘉豪食品(續)

收購產生之淨資產及商譽詳情如下：

收購對價-現金支付	4,745,437
減：收購可辨認淨資產之公允價值 — 詳列下文	(1,109,887)
商譽(附註9)	3,635,550

因收購而產生之資產及負債的公允價值如下：

物業、機器及設備(附註7)	107,063
土地使用權(附註8)	16,620
無形資產(附註9)	906,009
存貨	22,694
貿易及其他應收款項	13,845
以公允價值計量且其變動計入損益之金融資產	180,811
現金及現金等價物	163,760
遞延所得稅資產(附註13)	13,818
貿易及其他應付款項	(77,373)
合同負債	(97,697)
遞延所得稅負債(附註13)	(139,663)

收購之資產公允價值	1,109,887
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收購業務之現金流出 (扣除收購之淨現金)	
以現金支付收購代價	4,745,437
收購附屬公司內的現金及現金等價物	(163,760)

收購的淨現金流出	4,581,677
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Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

31. BUSINESS COMBINATIONS (CONTINUED)

(a) Acquisition of Jiahao Foodstuff (Continued)

Acquisition-related costs of RMB18,723,000 have been charged to administrative expenses in the consolidated income statement for the nine months ended 31 December 2018.

The acquired business contributed revenue of RMB170,979,000 and operating profit of RMB61,520,000 to the Group for the period from date of acquisition to 31 December 2018, while the operating profit for the condiment segment amounted to RMB23,451,000 after deducting the one-off acquisition-related cost, currency exchange gain and amortisation expense of intangible assets arising from the acquisition of approximately RMB38,069,000. If the acquisition had occurred on 1 April 2018, consolidated revenue and consolidated net profit after tax would have been increased by approximately RMB291,967,000 and RMB46,949,000, respectively.

(b) Acquisition of Hunan Jishou

In September 2018, Smart Sino (Shanghai) Investment Management Co., LTD., a wholly owned subsidiary of the Company, entered into an agreement with independent third parties to acquire 85% equity interest in Hunan Jishou, a company incorporated in the PRC, for a cash consideration of RMB13,498,000.

Hunan Jishou is principally engaged in the production and sales of ingredients of cigarettes and filter rods. It is expected that the market position of the Group in this industry will be strengthened through the acquisition.

Hunan Jishou has become a non-wholly owned subsidiary of the Group in September 2018. The goodwill of RMB3,588,000 arising from the acquisition is attributable to the synergy and economics of scale expected from combining the operations of the Group and Hunan Jishou. None of the goodwill recognised is expected to be deductible for income tax purposes.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

31. 業務合併 (續)

(a) 收購嘉豪食品 (續)

收購相關成本人民幣18,723,000元已於截至二零一八年十二月三十一日止九個月的綜合收益表內行政費用中扣除。

該業務自收購日至二零一八年十二月三十一日止，為本集團帶來的銷售收入和營運盈利，分別約人民幣170,979,000元及約人民幣61,520,000元，但在扣除因收購而產生之一次性收購相關成本、匯兌收益和無形資產攤銷費用等約人民幣38,069,000元後，調味品板塊的營運盈利為人民幣23,451,000元。如該收購於二零一八年四月一日發生，本集團之綜合銷售收入及綜合稅後盈利將分別增加約人民幣291,967,000元及人民幣46,949,000元。

(b) 收購湖南吉首

於二零一八年九月，本公司之全資附屬公司華烽(上海)投資管理有限公司與獨立第三方簽署協議，以現金代價人民幣13,498,000元收購一家於中國成立的公司，湖南吉首的85%權益。

湖南吉首主要從事煙用材料及濾嘴棒的生產及銷售。通過收購，本集團預期可加強其在市場上之地位。

湖南吉首於二零一八年九月成為本集團的非全資附屬公司。收購產生的商譽人民幣3,588,000元來自於整合本集團及湖南吉首之經營後預期產生的協同效應和經營效益。確認產生的商譽預期不可扣除所得稅。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

31. BUSINESS COMBINATIONS (CONTINUED)

(b) Acquisition of Hunan Jishou (Continued)

Details of net assets acquired and goodwill are as follows:

Consideration – cash paid	收購對價－已付現金	9,450
Consideration – other payable	收購對價－其他應付款	4,048
Less: fair value of identifiable net assets acquired – shown below	減：收購可辨認淨資產之公允價值－詳列下文	(9,910)
Goodwill (Note 9)	商譽(附註9)	3,588

The fair value of assets and liabilities arising from the acquisition are as follows:

Property, plant and equipment (Note 7)	物業、機器及設備(附註7)	7,131
Land use rights (Note 8)	土地使用權(附註8)	4,553
Intangible assets (Note 9)	無形資產(附註9)	1,747
Inventories	存貨	1,661
Trade and other receivables	貿易及其他應收款項	2,464
Cash and cash equivalents	現金及現金等價物	73
Trade and other payables	貿易及其他應付款項	(5,106)
Deferred tax liabilities (Note 13)	遞延所得稅負債(附註13)	(863)
Total identifiable net assets	收購之資產淨值	11,660
Less: non-controlling interest	減：非控制性權益	(1,750)
Fair value of identifiable net assets acquired	收購之資產公允價值	9,910
Outflow of cash to acquire business (net of cash acquired)	收購業務之現金流出(扣除收購之淨現金)	
Consideration – cash paid	以現金支付收購代價	9,450
Cash and cash equivalents in a subsidiary acquired	收購附屬公司內的現金及現金等價物	(73)
Net cash outflow on acquisition	收購的淨現金流出	9,377

Non-controlling interests in Hunan Jishou are measured at the present ownership interests' proportionate share in the recognised amounts of Hunan Jishou's identifiable net assets.

湖南吉首的非控制權益乃按其擁有人的現有股權比例根據湖南吉首之可供辨認淨資產計算。

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

31. 業務合併(續)

(b) 收購湖南吉首(續)

收購產生之淨資產及商譽詳情如下：

因收購而產生之資產及負債的公允價值如下：



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

32. DISPOSAL OF SUBSIDIARIES

(Loss)/gain on disposal of subsidiaries:

Continuing operations
– Qingdao Qingda (Note (a))

Discontinued operation
– VMR Products (Note (b))

(a) Disposal of Qingdao Qingda

In October 2018, the Group completed the disposal of the entire issued share capital of Qingdao Qingda, a wholly owned subsidiary of the Group, to an independent third party, at a total consideration of RMB15,300,000. A net loss on disposal of Qingdao Qingda of approximately RMB2,539,000 was recognised in the consolidated income statement for the nine months ended 31 December 2018. The gain on disposal of the subsidiary is summarised as follows:

Sales consideration	出售代價	15,300
Less: Net assets disposed of:	減：所出售資產淨值：	
– Property, plant and equipment (Note 7)	– 物業、機器及設備（附註7）	11,629
– Land use rights (Note 8)	– 土地使用權（附註8）	7,330
– Intangible assets (Note 9)	– 無形資產（附註9）	190
– Inventories	– 存貨	163
– Trade and other receivables	– 貿易及其他應收款項	236
– Cash and cash equivalents	– 現金及現金等價物	27
– Deferred income tax assets (Note 13)	– 遞延所得稅資產（附註13）	25
– Trade and other payables	– 貿易及其他應付款項	(76)
– Deferred tax liabilities (Note 13)	– 遞延所得稅負債（附註13）	(1,685)
Net assets disposed of	所出售資產淨值	17,839
Net loss on disposal of the subsidiary	出售子公司之淨虧損	(2,539)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of Qingdao Qingda is as follows:

Cash consideration	現金代價	15,300
Cash and cash equivalents disposed of	所出售現金及現金等價物	(27)

Net proceeds of disposal of the subsidiary **出售附屬公司所得款項淨額** **15,273**

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

32. 出售附屬公司

出售附屬公司之
(虧損)/收益：

持續經營業務
– 青島青大（附註(a)） (2,539)

終止經營業務
– VMR Products（附註(b)） 182,873

(a) 出售青島青大

本集團於二零一八年十月完成出售一全資附屬公司，青島青大予一獨立第三方，總代價為人民幣15,300,000元。出售青島青大之虧損約人民幣2,539,000元已於截至二零一八年十二月三十一日止九個月的綜合收益表確認。出售該附屬公司的虧損概述如下：

出售青島青大之淨現金及現金等價物流入之分析如下：

現金代價	15,300
所出售現金及現金等價物	(27)

出售附屬公司所得款項淨額 **15,273**

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

32. DISPOSAL OF SUBSIDIARIES (CONTINUED)

(b) Disposal of VMR Products

As disclosed in Note 1, the consideration of the disposal was approximately USD31,352,000 (equivalent to approximately RMB215,679,000) and a net gain on disposal of approximately RMB182,873,000 was recognised in the consolidated income statement for the nine months ended 31 December 2018. The gain on disposal of the subsidiary is summarised as follows:

Sales consideration	出售代價	215,679
Less: Net assets disposed of:	減：所出售資產淨值	
– Property, plant and equipment (Note 7)	– 物業、機器及設備(附註7)	9,063
– Intangible assets (Note 9)	– 無形資產(附註9)	139,627
– Inventories	– 存貨	34,653
– Trade and other receivables	– 貿易及其他應收款項	18,067
– Cash and cash equivalents	– 現金及現金等價物	23,806
– Borrowings	– 借款	(89,566)
– Trade and other payables	– 貿易及其他應付款項	(126,559)
Net assets disposed of	所出售資產淨值	9,091
Non-controlling interests	非控制性權益	5,804
Reclassification of cumulative currency translation reserve upon disposal to profit or loss	累計貨幣換算儲備於出售時重分類至損益	(29,519)
Net gain on disposal of the subsidiary	出售子公司之淨收益	182,873
An analysis of the net inflow of cash and cash equivalents in respect of the disposal of VMR Products is as follows:	出售VMR Products之淨現金及現金等價物流入之分析如下：	
Cash consideration	現金代價	215,679
Cash and cash equivalents disposed of	所出售現金及現金等價物	(23,806)
Net proceeds of disposal of the subsidiary	出售附屬公司所得款項淨額	191,873

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

32. 出售附屬公司(續)

(b) 出售VMR Products

如附註1所披露，出售事項之代價約為美元31,352,000(相等於約人民幣215,679,000元)。出售收益約人民幣182,873,000元已於截至二零一八年十二月三十一日止九個月的綜合收益表上確認。出售該附屬公司的收益概述如下：

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

33. CASH GENERATED FROM OPERATIONS

(a) Reconciliation of profit before tax to cash generated from operations

			Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 十二月三十一日 止九個月
Profit/(loss) before income tax:	除稅前盈利／(虧損)：			
Continuing operations	持續經營業務		1,374,957	1,859,553
Discontinued operation	終止經營業務		136,839	(113,746)
Profit before income tax including discontinued operation	除稅前盈利(包括終止經營業務)		1,511,796	1,745,807
Adjustments for:	調整：			
- Depreciation	- 折舊	7	102,485	132,612
- Amortisation	- 攤銷	8,9	62,364	74,215
- Provision for impairment of goodwill	- 商譽減值撥備	9	-	61,056
- Provision for impairment of inventories	- 存貨減值撥備		762	1,261
- Provision for impairment of trade and other receivables	- 貿易及其他應收款項減值撥備	4.1(b)	976	21,947
- Provision for impairment of non-current assets	- 其他非流動資產減值撥備		-	36,000
- Interest expense	- 利息費用	6	95,999	23,424
- Interest income	- 利息收入	6	(154,348)	(122,757)
- Share of profit of associates and a jointly controlled entity	- 應佔聯營公司及共同控制實體之盈利	10,11	(9,776)	(8,232)
- Gain on disposal of property, plant and equipment	- 出售物業、機器及設備收益		(856)	(1,948)
- Gain on disposal of AFS	- 出售可供出售金融資產之收益	23	-	(3,987)
- Gain on disposal of FVPL	- 出售以公允價值計量且其變動計入損益的金融資產之收益	23	(665)	-
- Gain on disposal of subsidiaries - net	- 出售附屬公司之收益-淨額	32	(180,334)	(454)
- Changes in fair value of FVPL	- 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	23	(5,035)	-
- Foreign exchange gain - net	- 匯兌收益-淨額		(15,972)	(2,623)
Changes in working capital:	營運資金變動：			
- Inventories	- 存貨		(141,458)	(73,687)
- Trade and other receivables	- 貿易及其他應收款項		44,062	(64,398)
- Trade and other payables	- 貿易及其他應付款項		165,538	32,066
Net cash generated from operations	經營業務所得現金淨額		1,475,538	1,850,302

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

33. 經營活動產生的現金

(a) 除稅前盈利與經營業務所得現金淨額調節表

			Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 十二月三十一日 止九個月
Profit/(loss) before income tax:	除稅前盈利／(虧損)：			
Continuing operations	持續經營業務		1,374,957	1,859,553
Discontinued operation	終止經營業務		136,839	(113,746)
Profit before income tax including discontinued operation	除稅前盈利(包括終止經營業務)		1,511,796	1,745,807
Adjustments for:	調整：			
- Depreciation	- 折舊	7	102,485	132,612
- Amortisation	- 攤銷	8,9	62,364	74,215
- Provision for impairment of goodwill	- 商譽減值撥備	9	-	61,056
- Provision for impairment of inventories	- 存貨減值撥備		762	1,261
- Provision for impairment of trade and other receivables	- 貿易及其他應收款項減值撥備	4.1(b)	976	21,947
- Provision for impairment of non-current assets	- 其他非流動資產減值撥備		-	36,000
- Interest expense	- 利息費用	6	95,999	23,424
- Interest income	- 利息收入	6	(154,348)	(122,757)
- Share of profit of associates and a jointly controlled entity	- 應佔聯營公司及共同控制實體之盈利	10,11	(9,776)	(8,232)
- Gain on disposal of property, plant and equipment	- 出售物業、機器及設備收益		(856)	(1,948)
- Gain on disposal of AFS	- 出售可供出售金融資產之收益	23	-	(3,987)
- Gain on disposal of FVPL	- 出售以公允價值計量且其變動計入損益的金融資產之收益	23	(665)	-
- Gain on disposal of subsidiaries - net	- 出售附屬公司之收益-淨額	32	(180,334)	(454)
- Changes in fair value of FVPL	- 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	23	(5,035)	-
- Foreign exchange gain - net	- 匯兌收益-淨額		(15,972)	(2,623)
Changes in working capital:	營運資金變動：			
- Inventories	- 存貨		(141,458)	(73,687)
- Trade and other receivables	- 貿易及其他應收款項		44,062	(64,398)
- Trade and other payables	- 貿易及其他應付款項		165,538	32,066
Net cash generated from operations	經營業務所得現金淨額		1,475,538	1,850,302

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

33. CASH GENERATED FROM OPERATIONS (CONTINUED)

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

		Note	Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度
Net book amount	賬面淨值	7	4,838	5,864
Gain on disposal of property, plant and equipment	出售物業、機器及設備收益		856	1,948
Currency translation differences	貨幣換算差額		-	(73)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備的所得款		5,694	7,739

(c) Reconciliation of liabilities arising from financing activities

This section sets out an analysis of the movements in liabilities from financing activities:

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

33. 經營活動產生的現金 (續)

(b) 於綜合現金流量表內，出售物業、機器及設備之所得款包括：

(c) 融資負債對賬表

本節載列期間／年度融資負債分析及融資負債變動。

		Liabilities from financing activities Borrowings 融資負債 借款
Liabilities from financing activities as at 1 April 2018	於二零一八年四月一日之融資負債	210,000
Proceeds from borrowings	借貸所得款	3,580,389
Repayments of borrowings	償還借款	(100,250)
Liabilities from financing activities as at 31 December 2018	於二零一八年十二月三十一日之融資負債	3,690,139

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

34. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for but not yet incurred at the end of the period/year are as follows:

		As at 31 December 2018	As at 31 March 2018
		於二零一八年 十二月三十一日	於二零一八年 三月三十一日
Property, plant and equipment	物業、機器及設備	193,080	83,358
Investment in an associate	於聯營公司之投資	43,420	43,420
FVOCI	以公允值計量且變動計入 其他綜合收益之金融資產	127,016	-
AFS	可供出售金融資產	-	133,099
		363,516	259,877

(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 December 2018	As at 31 March 2018
		於二零一八年 十二月三十一日	於二零一八年 三月三十一日
Land and buildings:	土地及樓宇:		
Not later than 1 year	不超過1年	91,460	31,556
Later than 1 year and not later than 5 years	超過1年但不超過5年	40,506	66,944
Later than 5 years	超過5年	21,405	30,385
		153,371	128,885

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

34. 承擔

(a) 資本承擔

於結算日已簽約但仍未發生的資本開支如下：

	As at 31 December 2018	As at 31 March 2018
	於二零一八年 十二月三十一日	於二零一八年 三月三十一日
Property, plant and equipment	193,080	83,358
Investment in an associate	43,420	43,420
FVOCI	127,016	-
AFS	-	133,099
	363,516	259,877

(b) 營運租賃承擔

於結算日根據不可撤銷營運租賃，未來最低租賃付款總額如下：

	As at 31 December 2018	As at 31 March 2018
	於二零一八年 十二月三十一日	於二零一八年 三月三十一日
Land and buildings:		
Not later than 1 year	91,460	31,556
Later than 1 year and not later than 5 years	40,506	66,944
Later than 5 years	21,405	30,385
	153,371	128,885

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

35. RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Name 名稱
Huangguoshu Golden Leaf 黃果樹金葉 Yunnan Hongta 雲南紅塔 Hunan Golden Leaf 湖南金葉 Yunnan Ruisheng 雲南瑞升 Dianhua Benxiang 滇華本香 Yingtian Weizhijia Food Co. Ltd. (“Weizhijia”) 鷹潭味之家食品有限公司(「味之家」)

(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 38(a). The amounts of compensation paid and payable to senior management for employee services is shown below:

		Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度
Fees, salaries and bonus	工資、薪酬及花紅	18,391	18,220
Employer’s contributions to retirement benefit scheme	僱主就退休計劃供款	346	373
		18,737	18,593

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

35. 關聯人士交易

(a) 關聯人士名稱與關係

Relationship 關係
An associate indirectly held by the Company 本公司間接持有的聯營公司
An associate indirectly held by the Company 本公司間接持有的聯營公司
An associate indirectly held by the Company 本公司間接持有的聯營公司
An associate indirectly held by the Company 本公司間接持有的聯營公司
A jointly controlled entity indirectly held by the Company 本公司間接持有的共同控制實體
An entity controlled by the Company’s ultimate holder 朱女士擁有控制權之公司

(b) 主要管理人員酬金

主要管理人員包括董事(執行董事、非執行董事與獨立非執行董事)和高級管理人員。應付及已付予董事的酬金已在附註38(a)披露。向高級管理人員支付作為僱員服務的已付及應付酬金如下：



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Transactions with related parties

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

35. 關聯人士交易（續）

(c) 與關聯人士的交易

		Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度
Sales of goods	銷售貨品		
– Huangguoshu Golden Leaf	– 黃果樹金葉	11,205	3,761
– Yunnan Hongta	– 雲南紅塔	21	30
– Hunan Golden Leaf	– 湖南金葉	341	671
– Dianhua Benxiang	– 滇華本香	18,367	–
– Weizhijia	– 味之家	132	–
		30,066	4,462
Purchase of goods and services	購買原材料及服務		
– Huangguoshu Golden Leaf	– 黃果樹金葉	40	–
– Yunnan Ruisheng	– 雲南瑞升	82	41
– Dianhua Benxiang	– 滇華本香	11,621	–
– Weizhijia	– 味之家	13	–
		11,756	41
Dividend revenue	股息收入		
– Yunnan Hongta	– 雲南紅塔	–	10,161
– Yunnan Ruisheng	– 雲南瑞升	–	5,733
		–	15,894

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Balances with related parties

		As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
	Note 附註		
Balances due from a related parties:			
– Huangguoshu Golden Leaf			
– trade and other receivables		14,630	4,504
– Dianhua benxiang			
– trade receivables		21,305	–
– Weizhijia			
– prepayments	(i)	10,500	–
		46,435	4,504
Balance due to related parties:			
– Huangguoshu Golden Leaf			
– trade payables		40	–
– Dianhua Benxiang			
– trade payables		12,971	–
– Weizhijia			
– trade payables		13	–
– contract liabilities		2,900	–
		15,924	–

(i) On 27 November 2018, Guangdong Jiahao, a wholly-owned subsidiary of the Group, entered into the Entrusted Management Agreement with Weizhijia, a company ultimately controlled by Ms. Chu. Balances due from Weizhijia represented upfront payment of the sales network construction fee for 2019.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

35. 關聯人士交易（續）

(d) 關聯人士結餘

(i) 於二零一八年十一月二十七日，本集團的全資附屬公司廣東嘉豪與由朱女士最終控制的公司味之家訂立委託管理協議。應收味之家的餘額為二零一九年銷售網絡建設費的預付款。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

36. 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 已發行普通股/註冊資本面值	Ownership interest held by the Group % 本集團持有的實際權益%		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，德國
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. 廣東省金葉科技開發有限公司 ^{ZH1}	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 the PRC 研發、生產及銷售煙草薄片，中國
Guangdong Jiahao Foodstuff Co., Ltd. 廣東嘉豪食品有限公司	PRC, Limited liability company 中國，有限責任公司	RMB115,000,000 人民幣115,000,000元	–	100	Production, sales, marketing and distribution of condiment products in the PRC 生產、銷售、營銷及分銷調味品，中國
Guangdong Jinke Reconstituted Tobacco Leaves Co., Ltd. 廣東金科再造煙葉有限公司 ^{XQ1, SJ1, YX1, ZH2, ZH1}	PRC, Limited liability company 中國，有限責任公司	RMB40,000,000 人民幣40,000,000元	–	55.375	Manufacture & sale of reconstituted tobacco leaves in the PRC 生產及銷售煙草薄片，中國
Guangzhou Huabao Food Co., Ltd. 廣州華寶食品有限公司 ^{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 the PRC 研發、生產及銷售香精，中國
GuangZhou Hua Fang Tobacco Flavors Ltd. 廣州華芳煙用香精有限公司 ^{CF1, FC1}	PRC, Limited liability company 中國，有限責任公司	RMB23,380,000 人民幣23,380,000元	–	51	Manufacturing & sales of tobacco flavours & fragrances in the PRC 生產及銷售煙用香精，中國

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

36. 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 已發行普通股/註冊資本面值	Ownership interest held by the Group % 本集團持有的實際權益%		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 華寶香精(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·香港
Huabao Flavours & Fragrances Co., Ltd. 華寶香精股份有限公司 ^{ZH1, SJ1, FC1, C1, YX1, X1, X2}	PRC, Limited liability company 中國·股份有限公司	RMB615,880,000 人民幣615,880,000元	–	81.103	Manufacturing & sales of tobacco flavours & fragrances in the PRC 生產及銷售煙用香精·中國
Huabao Korea Company Limited 華寶韓國株式會社 ^{XQ1, SJ1, SJ2}	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
Huabao Qianqi Leasing (Shenzhen) Co., Ltd. 華寶千祺租賃(深圳)有限公司 ^{X1, XQ1}	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 stationary leasing assets management, investment management, investment and leasing consulting in the PRC 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·中國
Hunan Jishou Mingzu Materials Co., Ltd 湖南吉首市民族煙材有限公司	PRC, Limited liability company 中國·有限責任公司	RMB15,850,000 人民幣15,850,000元	–	85	Production of tobacco raw materials and cigarette filter 生產及銷售煙用濾棒·中國
Jiangxi Xianghai Biological Technology Co., Ltd. 江西香海生物科技股份有限公司	PRC, Limited liability company 中國·有限責任公司	RMB10,010,000 人民幣10,010,000元	–	95	Produce, research and sale of synthetic perfume in the PRC 生產及銷售香原料·中國
Jiangxi H&K Food Technology Development Co., Ltd 江西省華寶孔雀食品科技發展有限公司 ^{YX1, YX2, ZH1}	PRC, Limited liability company 中國·有限責任公司	RMB300,000,000 人民幣300,000,000元	–	100	Manufacturing and sales of food flavours and fragrances in the PRC 生產及銷售食用香精·中國

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

36. 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 已發行普通股／註冊資本面值	Ownership interest held by the Group % 本集團持有的實際權益%		Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接	
Owada Flavours (Guangzhou) Co., Ltd. 澳華達香精（廣州）有限公司 ^{S11}	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 the PRC 生產及銷售煙用香精產品，中國
Shanghai H&K Flavors & Fragrances Co., Ltd. 上海華寶孔雀香精有限公司 ^{YX1, YX2, X1}	PRC, Limited liability company 中國，有限責任公司	RMB260,000,000 人民幣260,000,000元	–	100	Manufacturing & sales of food flavours & fragrances in the PRC 生產及銷售食品香精，中國
Shanghai Huabao Biological Technology Co., Ltd. 上海華寶生物科技有限公司 ^{ZH1, ZH2, X1}	PRC, Limited liability company 中國，有限責任公司	RMB10,000,000 人民幣10,000,000元	–	100	Production and sale of tobacco raw material 生產及銷售煙用原料，中國
Smart Sino International Investment Holdings (China) Co., Ltd 華烽國際投資控股（中國）有限公司 ^{C1, XQ1, L1, XQ2}	PRC, Limited liability company 中國，有限責任公司	USD55,640,000 美元55,640,000	–	100	Investments holding in the PRC 投資控股，中國
Shanghai Xiangyue Technology Development Co., Ltd 上海香悅科技發展有限公司 ^{XQ1, XQ2, ZH1}	PRC, Limited liability company 中國，有限責任公司	HKD10,000,000 港幣10,000,000元	–	100	Investments holding in the PRC 投資控股，中國

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

36. 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 已發行普通股/註冊資本面值	Ownership interest held by the Group % 本集團持有的實際權益%		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. 廈門琥珀日化科技股份有限公司 ^{YX1, YX2, XQ1}	PRC, Limited liability company 中國·股份有限公司	RMB30,000,000 人民幣30,000,000元	–	51	Research, development, distribution and retail of fragrances in the PRC 研發、生產、批發及零售日用化工產品·中國
Yancheng City Chunzhu Aroma Co., Ltd. 鹽城市春竹香料有限公司 ^{X1}	PRC, Limited liability company 中國·有限責任公司	RMB6,000,000 人民幣6,000,000元	–	100	Production and sales of aromatic raw materials in the PRC 生產及銷售香原料·中國
Yingtian Huabao Flavors & Fragrances Co., Ltd. 鷹潭華寶香精有限公司 ^{FC1, FC2, ZH1}	PRC, Limited liability company 中國·有限責任公司	RMB96,500,000 人民幣96,500,000元	–	100	Production and sale of tobacco flavours & fragrances in the PRC 生產及銷售香精·中國
Yongzhou Shanxiang Flavour Co., Ltd. 永州山香香料有限公司	PRC, Limited liability company 中國·有限責任公司	RMB35,000,000 人民幣35,000,000元	–	94.14	Production and sale of flavours & fragrances in the PRC 生產及銷售香料·中國
Yunnan Tianhong Flavors Co., Ltd. 雲南天宏香精有限公司	PRC, Limited liability company 中國·有限責任公司	USD2,550,000 美元2,550,000	–	60	Production and sale of tobacco flavours & fragrances in the PRC 生產及銷售煙用香精·中國
Zhaoqing Perfumery Co., Ltd. (Guangdong) 廣東省肇慶香料廠有限公司 ^{ZH1}	PRC, Limited liability company in the PRC 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 生產及銷售食用香精·中國

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

(a) Material non-controlling interests

The total comprehensive income attributable to non-controlling interests for the nine months ended 31 December 2018 is RMB178,384,000 (year ended 31 March 2018: RMB125,094,000), of which RMB186,037,000 (year ended 31 March 2018: RMB145,937,000) is from Huabao Flavours and its subsidiaries ("Huabao Flavours Group"). The non-controlling interests in other subsidiaries are not material.

Set out below are the summarised financial information for group of subsidiaries that have non-controlling interests that are material to the Group :

Summarised balance sheet of Huabao Flavours Group

		As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
Current Assets	流動資產	7,940,296	7,064,301
Liabilities	負債	(523,231)	(396,065)
Total current net assets	流動資產總額	7,417,065	6,668,236
Non-current Assets	非流動資產	1,686,786	1,639,947
Liabilities	負債	(2,481)	(5,630)
Total non-current net assets	非流動資產總額	1,684,305	1,634,317
Net assets	資產淨額	9,101,370	8,302,553

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

36. 主要附屬公司之詳情 (續)

(a) 重大非控制性權益

截至二零一八年十二月三十一日止九個月，非控制性權益應佔全面收益總額為人民幣178,384,000元(截至二零一八年三月三十一日止年度：人民幣125,094,000元)，其中來自華寶股份及其附屬公司(「華寶股份集團」)之非控制性權益應佔全面收益總額為人民幣186,037,000元(截至二零一八年三月三十一日止年度：人民幣145,937,000元)。於其他附屬公司的非控制性權益並不重大。

以下載列本集團有重大的非控制性權益的附屬公司的財務資料摘要：

華寶股份集團之資產負債表概要



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

(a) Material non-controlling interests (Continued)

Summarised income statement and statement of comprehensive income of Huabao Flavours Group

		Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度
Revenue	營業額	1,674,630	2,233,830
Profit before income tax	除稅前盈利	1,086,504	1,397,853
Income tax expense	所得稅費用	(176,547)	(201,089)
Profit for the period/year	本期間／年度盈利	909,957	1,196,764
Other comprehensive income	其他全面收益	29,762	(28,490)
Total comprehensive income	全面收益總額	939,719	1,168,274
Total comprehensive income allocated to non-controlling interests	分配予非控制性權益的全面收益總額	186,037	145,937
Dividends paid to non-controlling interests	向非控制性權益派付之股利	16,091	20,954

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

36. 主要附屬公司之詳情 (續)

(a) 重大非控制性權益 (續)

華寶股份集團之收益表及全面收益表概要



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

(a) Material non-controlling interests (Continued)

Summarised cash flows of Huabao Flavours Group

		Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度
Cash flows from operating activities	經營活動之現金流量		
Cash generated from operations	營運產生之現金	1,073,823	1,475,741
Income tax paid	已付所得稅	(127,091)	(204,606)
Net cash generated from operating activities	營運活動產生之現金淨額	946,732	1,271,135
Net cash (used in)/generated from investing activities	投資活動(所用)/產生之現金淨額	(2,203,784)	61,719
Net cash (used in)/generated from financing activities	融資活動(所用)/產生之現金淨額	(147,818)	1,934,122
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(1,404,870)	3,266,976
Cash and cash equivalents at the beginning of the period/year	期初/年初現金及現金等價物	5,889,492	2,636,124
Effects of currency translation on cash and cash equivalents	貨幣換算對現金及現金等價物的影響	24,808	(13,608)
Cash and cash equivalents at the end of the period/year	期末/年末之現金及現金等價物	4,509,430	5,889,492

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

36. 主要附屬公司之詳情(續)

(a) 重大非控制性權益(續)

華寶股份集團之現金流量概要

		Nine months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月	Year ended 31 March 2018 截至 二零一八年 三月三十一日 止年度
Cash flows from operating activities	經營活動之現金流量		
Cash generated from operations	營運產生之現金	1,073,823	1,475,741
Income tax paid	已付所得稅	(127,091)	(204,606)
Net cash generated from operating activities	營運活動產生之現金淨額	946,732	1,271,135
Net cash (used in)/generated from investing activities	投資活動(所用)/產生之現金淨額	(2,203,784)	61,719
Net cash (used in)/generated from financing activities	融資活動(所用)/產生之現金淨額	(147,818)	1,934,122
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(1,404,870)	3,266,976
Cash and cash equivalents at the beginning of the period/year	期初/年初現金及現金等價物	5,889,492	2,636,124
Effects of currency translation on cash and cash equivalents	貨幣換算對現金及現金等價物的影響	24,808	(13,608)
Cash and cash equivalents at the end of the period/year	期末/年末之現金及現金等價物	4,509,430	5,889,492

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

37. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

Statement of financial position of the Company

		Note	As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
ASSETS	資產			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資		1,090,943	997,624
Current assets	流動資產			
Trade and other receivables	貿易及其他應收款項		2,580	86,277
Amounts due from subsidiaries	應收附屬公司款項		6,302,799	1,357,837
Cash and cash equivalents	現金及現金等價物		111,389	881,100
			6,416,768	2,325,214
Total assets	總資產		7,507,711	3,322,838
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		318,647	318,647
Reserves	儲備	(a)	652,494	352,170
Retained earnings	保留盈利		2,448,767	2,313,125
Total equity	總權益		3,419,908	2,983,942
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	貸款		2,743,688	–
Current liabilities	流動負債			
Borrowings	貸款		652,601	–
Amounts due to subsidiaries	應付附屬公司款項		395,520	337,751
Trade and other payables	貿易及其他應付款項		295,994	1,145
			1,344,115	338,896
Total liabilities	總負債		4,087,803	338,896
Total equity and liabilities	總權益及負債		7,507,711	3,322,838

The balance sheet of the Company was approved by the Board of Directors on 12 March 2019 and was signed on its behalf.

Ms. CHU Lam Yiu
朱林瑤女士
Chairlady
主席

Mr. Xiong Qing
熊卿先生
Director
董事

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

37. 本公司的財務狀況表及儲備變動

本公司的財務狀況表

		Note	As at 31 December 2018 於二零一八年 十二月三十一日	As at 31 March 2018 於二零一八年 三月三十一日
ASSETS	資產			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資		1,090,943	997,624
Current assets	流動資產			
Trade and other receivables	貿易及其他應收款項		2,580	86,277
Amounts due from subsidiaries	應收附屬公司款項		6,302,799	1,357,837
Cash and cash equivalents	現金及現金等價物		111,389	881,100
			6,416,768	2,325,214
Total assets	總資產		7,507,711	3,322,838
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		318,647	318,647
Reserves	儲備	(a)	652,494	352,170
Retained earnings	保留盈利		2,448,767	2,313,125
Total equity	總權益		3,419,908	2,983,942
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	貸款		2,743,688	–
Current liabilities	流動負債			
Borrowings	貸款		652,601	–
Amounts due to subsidiaries	應付附屬公司款項		395,520	337,751
Trade and other payables	貿易及其他應付款項		295,994	1,145
			1,344,115	338,896
Total liabilities	總負債		4,087,803	338,896
Total equity and liabilities	總權益及負債		7,507,711	3,322,838

本公司之資產負債表已於二零一九年三月十二日由董事局批准並簽署。

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

37. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY (CONTINUED)

(a) Reserve movements of the Company

		Contributed surplus	Treasury shares	Share premium	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Other reserve	Currency Translation reserve	Total
		實繳盈餘	庫存股份	股份溢價	資本儲備	資本贖回儲備	以股份為基礎的酬金儲備	其他儲備	貨幣換算儲備	總計
At 1 April 2017	於二零一七年四月一日	296,853	-	429,861	2,411	4,749	39,120	-	(84,596)	688,398
Employee share option scheme	僱員購股權計劃									
-Lapsed of share options	一購股權失效	-	-	-	-	-	(39,120)	39,120	-	-
Currency translation differences	貨幣匯兌差異	-	-	-	-	-	-	-	(336,228)	(336,228)
At 31 March 2018	於二零一八年三月三十一日	296,853	-	429,861	2,411	4,749	-	39,120	(420,824)	352,170
At 1 April 2018	於二零一八年四月一日	296,853	-	429,861	2,411	4,749	-	39,120	(420,824)	352,170
Repurchases of shares	回購股份	-	(11)	-	-	11	-	-	-	-
Currency translation differences	貨幣匯兌差異	-	-	-	-	-	-	-	300,324	300,324
At 31 December 2018	於二零一八年十二月三十一日	296,853	(11)	429,861	2,411	4,760	-	39,120	(120,500)	652,494

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

37. 本公司的財務狀況表及儲備變動 (續)

(a) 公司儲備變動

		Contributed surplus	Treasury shares	Share premium	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Other reserve	Currency Translation reserve	Total
		實繳盈餘	庫存股份	股份溢價	資本儲備	資本贖回儲備	以股份為基礎的酬金儲備	其他儲備	貨幣換算儲備	總計
At 1 April 2017	於二零一七年四月一日	296,853	-	429,861	2,411	4,749	39,120	-	(84,596)	688,398
Employee share option scheme	僱員購股權計劃									
-Lapsed of share options	一購股權失效	-	-	-	-	-	(39,120)	39,120	-	-
Currency translation differences	貨幣匯兌差異	-	-	-	-	-	-	-	(336,228)	(336,228)
At 31 March 2018	於二零一八年三月三十一日	296,853	-	429,861	2,411	4,749	-	39,120	(420,824)	352,170
At 1 April 2018	於二零一八年四月一日	296,853	-	429,861	2,411	4,749	-	39,120	(420,824)	352,170
Repurchases of shares	回購股份	-	(11)	-	-	11	-	-	-	-
Currency translation differences	貨幣匯兌差異	-	-	-	-	-	-	-	300,324	300,324
At 31 December 2018	於二零一八年十二月三十一日	296,853	(11)	429,861	2,411	4,760	-	39,120	(120,500)	652,494

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

38. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of each director and chief executive of the Company for the nine months ended 31 December 2018 and the year ended 31 March 2018 are set out below:

Name of directors 董事姓名	Note 附註	Nine months ended 31 December 2018 二零一八年十二月三十一日止九個月				Total 總計	Year ended 31 March 2018 二零一八年三月三十一日止年度				Total 總計
		Fees 袍金	Salaries 薪金	Bonus 花紅	Employer's contribution to pension scheme 僱主就退休計劃供款		Fees 袍金	Salaries 薪金	Bonus 花紅	Employer's contribution to pension scheme 僱主就退休計劃供款	
Executive directors: 執行董事:											
Ms. Chu Lam Yiu 朱林瑤女士	(i)	6,590	-	17,077	-	23,667	8,731	-	-	-	8,731
Mr. Poon Chiu Kwok 潘昭國先生		-	1,153	-	780	1,933	-	2,054	-	507	2,561
Mr. Xia Liqun 夏利群先生		-	3,842	-	12	3,854	-	5,091	3,394	15	8,500
Mr. Lam Ka Yu 林嘉宇先生		1,921	-	-	-	1,921	2,545	-	-	-	2,545
Mr. Xiong Qing 熊卿先生		-	1,474	-	21	1,495	-	1,951	-	15	1,966
Independent non-executive directors: 獨立非執行董事:											
Dr. Ding Ningning 丁寧寧博士		154	-	-	-	154	204	-	-	-	204
Mr. Lee Luk Shiu 李祿兆先生		154	-	-	-	154	204	-	-	-	204
Ms. Ma Yunyan 麻雲燕女士		154	-	-	-	154	204	-	-	-	204
Mr. Wu Chi Keung 胡志強先生		154	-	-	-	154	204	-	-	-	204
		9,127	6,469	17,077	813	33,486	12,092	9,096	3,394	537	25,119

(i) Ms. Chu Lam Yiu is also the chief executive officer of the Company.

No directors waived any emoluments during the nine months ended 31 December 2018 and the year ended 31 March 2018.

During the nine months ended 31 December 2018 and the year ended 31 March 2018, 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.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

38. 董事的利益和權益

(a) 董事及行政總裁酬金

各董事及行政總裁於截至二零一八年十二月三十一日止九個月及二零一八年三月三十一日止年度之酬金如下：

(i) 朱林瑤女士兼任本集團的首席執行官。

截至二零一八年十二月三十一日止九個月及二零一八年三月三十一日止年度，無董事放棄任何酬金。

截至二零一八年十二月三十一日止九個月及二零一八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。



Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

38. BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(b) Directors' retirement benefit

During the nine months ended 31 December 2018 and the year ended 31 March 2018, no retirement benefits paid to the directors of the Company by a defined benefit pension plan operated by the Group in respect of the director's services as a director of the Company and its subsidiaries or other services in connection with the management of the affairs of the Company or its subsidiary undertaking.

(c) Directors' termination benefit

During the nine months ended 31 December 2018 and the year ended 31 March 2018, no payments to the directors of the Company as compensation for the early termination of the appointment.

(d) Consideration provided to third parties for making available directors' services

During the nine months ended 31 December 2018 and the year ended 31 March 2018, the Company did not provide any consideration to any third party for making available director's services.

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the nine months ended 31 December 2018 and the year ended 31 March 2018, no loans, quasi-loans or other dealings in favour of directors of the Company, controlled bodies corporate by and connected entities with such directors.

(f) Directors' material interests in transactions, arrangements or contracts

During the nine months ended 31 December 2018 and the year ended 31 March 2018, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company 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 period/year or at any time during the period/year.

綜合財務報表附註

(除另有指明者外，所有金額均以人民幣千元列示)

38. 董事的利益和權益 (續)

(b) 董事退休福利

截至二零一八年十二月三十一日止九個月及二零一八年三月三十一日止年度，本集團並無向董事支付就其作為本公司及其子公司董事提供服務而由集團營運的設定收益退休計劃而向其支付的退休福利。

(c) 董事離職福利

截至二零一八年十二月三十一日止九個月及二零一八年三月三十一日止年度，本集團並無向董事支付就終止其職位之賠償。

(d) 向第三方支付提供董事服務之代價

截至二零一八年十二月三十一日止九個月及二零一八年三月三十一日止年度，本集團並無就提供董事服務而向第三方提供的對價。

(e) 有關以董事、董事之受控制法團及關聯實體為受益人之貸款、準貸款及其他交易之資料

截至二零一八年十二月三十一日止九個月及二零一八年三月三十一日止年度，本集團並無向董事、受該等董事控制的法人團體及該董事的關連主體提供貸款和準貸款。

(f) 董事於交易、安排或合約之重大權益

截至二零一八年十二月三十一日止九個月及二零一八年三月三十一日止年度，本公司並無簽訂任何涉及本集團之業務而本公司之董事直接或間接在其中擁有重大權益之重要交易、安排或合同。



Five Year Financial Summary

五年財務摘要

(All amount in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

RESULTS

業績

		Year ended 31 March				Nine Months ended 31 December 2018 截至 二零一八年 十二月三十一日 止九個月 Note a 附註a
		2015	2016	2017	2018	
		二零一五年 Note b 附註b	二零一六年 Note b 附註b	二零一七年 Note b 附註b	二零一八年 Note a 附註a (Restated) (經重列)	
Turnover	營業額	3,431,077	3,200,436	3,482,894	3,628,116	3,058,707
Gross Profit	毛利	2,399,198	2,203,988	2,270,823	2,463,927	1,949,805
Profit before income tax	除稅前盈利	1,892,390	1,493,331	1,409,112	1,859,553	1,374,957
Income tax expenses	所得稅	(310,122)	(297,686)	(294,573)	(349,687)	(320,805)
Profit for the year/period	本年度盈利	1,582,268	1,195,645	1,114,539	1,396,120	1,190,991

Notes:

附註：

- (a) The financial figures were extracted from the consolidated income statement.
- (b) The financial figures were extracted from the 2017/2018 annual report. No separate disclosures of continuing operations and discontinued operation were made on the financial figures for the year ended 31 March 2015 to 2017.

- (a) 有關財務數字乃摘錄自綜合收益表。
- (b) 有關財務數字乃摘錄自二零一七／二零一八年年報，而截至二零一五年至二零一七年三月三十一日止年度之財務數字並無按持續經營業務及終止經營業務分開披露。

ASSETS AND LIABILITIES

資產及負債

		As at 31 March				As at 31 December 2018 於二零一八年 十二月三十一日
		2015	2016	2017	2018	
		二零一五年	二零一六年 於三月三十一日	二零一七年	二零一八年	
Total assets	總資產	8,634,468	9,654,219	11,497,751	14,300,910	19,175,430
Total Liabilities	總負債	(1,185,779)	(879,748)	(890,839)	(1,182,573)	(5,430,012)
Shareholders' funds	淨資產	7,448,689	8,774,471	10,606,912	13,118,337	13,745,418

Five Year Financial Summary

五年財務摘要

(All amount in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

OTHER FINANCIAL INFORMATION

其他財務數據

		2015	As at 31 March		2018	As at
			2016	2017		2018
		二零一五年	二零一六年	二零一七年	二零一八年	於二零一八年 十二月三十一日
Earnings per share, basic (RMB cents)	每股盈利·基本 (人民幣分)	50.77	38.04	34.29	40.66	32.75
Earnings per share, diluted (RMB cents)	每股盈利·攤薄 (人民幣分)	50.70	38.01	34.29	40.66	32.75
Aggregated dividend per share (HKD cents)	每股全年累計股息 (港仙)	9.52	–	22.00	25.30	18.80
Aggregated special dividend per share (HKD cents)	每股全年累計特別股息 (港仙)	22.20	–	–	5.70	18.90
Fiscal year-end share price (HKD)	財政年度結算日股價 (港元)	5.77	2.92	4.54	5.20	3.33
EBIT ratio	EBIT率	53.6%	44.5%	38.5%	47.7%	42.1%
EBITDA ratio	EBITDA率	58.2%	50.1%	44.7%	52.4%	46.9%
ROE	ROE	22.3%	15.0%	11.6%	12.0%	8.8%

Glossary

AGM	Annual general meeting
Board	The board of directors of the Company
Bye-laws	Bye-laws of the Company
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CG Code	Corporate Governance Code as set out in Appendix 14 of the Listing Rules
China, Mainland or PRC Company or Huabao	The People's Republic of China Huabao International Holdings Limited
Corresponding Period Last Year	twelve-month period from 1 January to 31 December 2017
Current Reporting Period	nine-month period from 1 April to 31 December 2018
Dianhua Benxiang	Yunnan Dianhua Benxiang Technology Co. Ltd.
Director(s) electronic cigarettes	The director(s) of the Company e-cigarette(s)
EPS	Earnings per share
Executive Director(s)	Executive director(s) of the Company
FCCA	Fellow member of the Association of Chartered Certified Accountants
FCIS	Fellow member of The Institute of Chartered Secretaries and Administrators
FCCA	Fellow member of the Hong Kong Institute of Certified Public Accountants
FCCA (Aust.)	Fellow member of CPA Australia Ltd.
FCS	Fellow member of The Hong Kong Institute of Chartered Secretaries
Financial Year 2017/18	twelve-month period from 1 April 2017 to 31 March 2018
Group or Huabao Group	the Company and its subsidiaries
Guangdong Jiahao	Guangdong Jiahao Foodstuff Co., Ltd
Guangdong Jinke	Guangdong Jinke Reconstituted Tobacco Leaves Co., Ltd.
Guangdong Jinye	Guangdong Golden Leaf Technology Development Co., Ltd.
Guangdong Jinye Group	Guangdong Jinye and its subsidiaries and affiliated companies
Guangdong Tobacco	Guangdong Tobacco Guangdong Industrial Co., Ltd.
Guangdong Tobacco Company	Guangdong Tobacco and its subsidiaries and related companies
Guangdong Zhaoqing	Zhaoqing Perfumery Co., Ltd. (Guangdong)

詞彙

股東週年大會	股東週年大會
董事會	本公司的董事會
公司細則	本公司之公司細則
首席執行官	首席執行官
首席財務官	首席財務官
企業管治守則	上市規則附錄十四所列的企業管治守則
中國或國內	中華人民共和國
本公司或華寶	華寶國際控股有限公司
去年同期	由2017年1月1日至12月31日止十二個月
本報告期	由2018年4月1日至12月31日止九個月
滇華本香	雲南滇華本香科技有限公司
董事	本公司董事
電子煙	電子煙
每股盈利	每股盈利
執行董事	本公司之執行董事
FCCA	英國特許公認會計師公會資深會員
FCIS	英國特許秘書及行政人員公會資深會員
FCCA	資深會計師
FCCA (Aust.)	澳洲資深註冊會計師
FCS	香港特許秘書公會資深會員
2017/18財政年度	由2017年4月1日至2018年3月31日止十二個月
本集團或華寶集團	本公司及其附屬公司
廣東嘉豪	廣東嘉豪食品有限公司
廣東金科	廣東金科再造煙葉有限公司
廣東金葉	廣東省金葉科技開發有限公司
廣東金葉集團	廣東金葉及其附屬公司及聯營公司
廣東中煙	廣東中煙工業有限責任公司
廣東中煙公司	廣東中煙及其附屬公司及關聯企業
廣東肇慶	廣東肇慶香料廠有限公司



Glossary

HKD	Hong Kong dollars, the lawful currency of Hong Kong
HKICPA	Hong Kong Institute of Certified Public Accountants
HNB	Heat not burn
Hong Kong or HKSAR	Hong Kong Special Administrative Region of the People's Republic of China
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Hongta Tobacco	Hongta Tobacco (Group) Co., Ltd.
Hongta Tobacco Group	Hongta Tobacco and its subsidiaries and related companies
Huabao Flavours	Huabao Flavours & Fragrances Co., Ltd., a joint stock limited company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
Huabao Flavours Company	Huabao Flavours and its subsidiaries and related companies
Huabao Kongque	Shanghai H&K Flavours & Fragrances Co., Ltd.
Hunan Jishou	Hunan Jishou Mingzu Materials Co. Ltd
INED(s)	Independent Non-executive Director(s) of the Company
Jiahao Foodstuff	Jiahao Foodstuff Limited
Jiangxi Huabao Kongque	Jiangxi H&K Food Technology Development Co., Ltd.
Jiangxi Xianghai	Jiangxi Xianghai Biological Technology Co., Ltd.
Listing Rules	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
Period Under Review	twelve-month period from 1 January to 31 December 2018
R&D	Research and development
RMB	Renminbi, the lawful currency of the PRC
RTL	Reconstituted Tobacco Leaves

詞彙

港幣	港幣·香港法定貨幣
HKICPA	香港會計師公會
加熱不燃燒	加熱不燃燒
香港	中華人民共和國 香港特別行政區
香港聯交所	香港聯合交易所有限公司
紅塔煙草	紅塔煙草(集團)有限 責任公司
紅塔煙草集團	紅塔煙草及其附屬公司及 關聯企業
華寶股份	華寶香精股份有限公司·於 中國成立的股份有限公 司·為本公司間接擁有的 非全資附屬公司
華寶股份公司	華寶股份及其附屬公司及 關聯企業
華寶孔雀	上海華寶孔雀香精有限公司
湖南吉首	湖南吉首市民族煙材有限公 司
獨立非執行董事	本公司之獨立非執行董事
嘉豪食品	嘉豪食品有限公司
江西華寶孔雀	江西省華寶孔雀食品科技 發展有限公司
江西香海	江西香海生物科技有限公司
上市規則	聯交所主板證券上市規則
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
回顧期	由2018年1月1日至12月31日 止十二個月
研發	研究及發展
人民幣	人民幣·中國法定貨幣
煙草薄片	再造煙葉



Glossary

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
SFO	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
Shareholder(s)	Shareholder(s) of the Company
Share(s) or ordinary share(s)	Ordinary share(s) of HKD 0.10 each in the capital of the Company
Shenzhen Stock Exchange	Shenzhen Stock Exchange in the PRC
STMA	State Tobacco Monopoly Administration
United States	United States of America
USD	US dollars, the lawful currency of the United States of America
VMR Products	VMR Products, LLC
Weizhijia	Yingtian Weizhijia Food Co., Ltd.
Xiamen Amber	Xiamen Amber Daily Chemical Technology Co., Ltd.
Yancheng Chunzhu	Yancheng City Chunzhu Aroma Co., Ltd.
Yongzhou Shanxiang	Yongzhou Shanxiang Flavour Co., Ltd.
Yunnan Hehe	Yunnan Hehe (Group) Co., Ltd.
Yunnan Tianhong	Yunnan Tianhong Flavour Co., Ltd.

詞彙

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
證券及期貨條例	香港法例第571章證券及期貨條例
股東 股份或普通股	本公司之股東 本公司股本中每股面值港幣0.10元的普通股
深圳證券交易所 國煙局 美國 美元	中國深圳證券交易所 國家煙草專賣局 美利堅合眾國 美元·美國法定貨幣
VMR Products 味之家 廈門琥珀	VMR Products, LLC 鷹潭味之家食品有限公司 廈門琥珀日化科技股份有限公司
鹽城春竹 永州山香 雲南合和	鹽城市春竹香料有限公司 永州山香香料有限公司 雲南合和(集團)股份有限公司
雲南天宏	雲南天宏香精有限公司



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