



HUABAO INTERNATIONAL HOLDINGS LIMITED

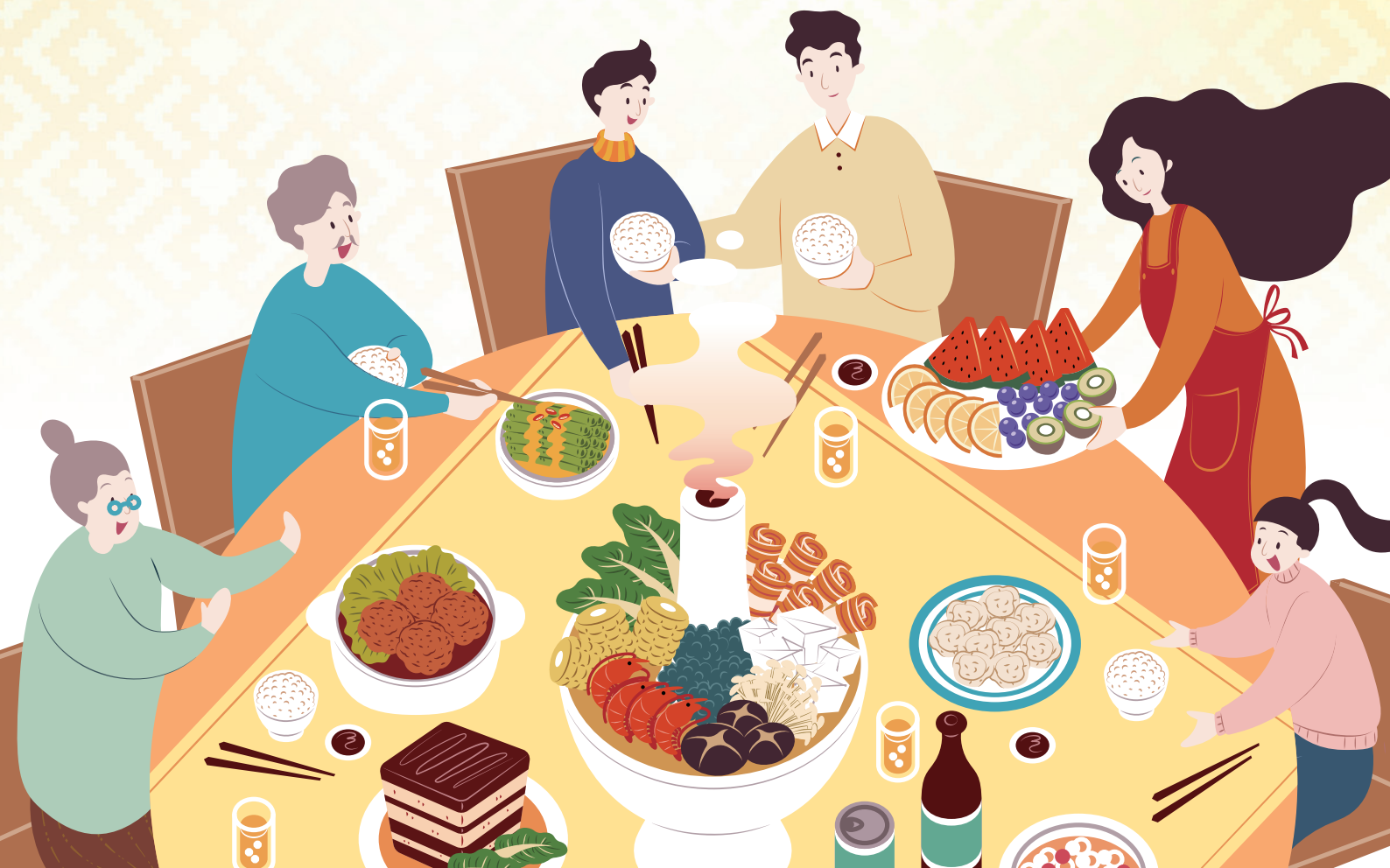
華寶國際控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號：00336)

Interim Report 2021 中期報告



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

QUALIFIED ACCOUNTANT

Ms. CHOY Man Har *FCPA, FCCA*

COMPANY SECRETARY

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

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISOR

Herbert Smith Freehills

PRINCIPAL BANKERS

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

公司資料

董事會

執行董事

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

獨立非執行董事

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

審核委員會

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

薪酬委員會

李祿兆先生 (*主席*)
 麻雲燕女士
 胡志強先生
 夏利群先生

提名委員會

朱林瑤女士 (*主席*)
 李祿兆先生
 胡志強先生

合資格會計師

蔡文霞女士 *FCPA, FCCA*

公司秘書

潘昭國先生 *FCG, FCS, FCPA (Aust.)*

核數師

羅兵咸永道會計師事務所
執業會計師
註冊公眾利益實體核數師

法律顧問

史密夫斐爾律師事務所

主要往來銀行

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

Corporate Information (cont'd)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL SHARE REGISTRAR

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

BRANCH SHARE REGISTRAR

Tricor Tengis Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited: 00336

COMPANY WEBSITE

www.huabao.com.hk

公司資料 (續)

總部及香港主要營業地點

香港
灣仔
港灣道18號
中環廣場30樓
3008室

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

主要股份過戶登記處

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

股份過戶登記分處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心54樓

股份代號

香港聯合交易所有限公司：00336

公司網址

www.huabao.com.hk

Financial Highlights

財務摘要

		Unaudited 未經審核		
		For the six months ended 30 June 截至6月30日止六個月		
		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元	Change in percentage 百分比變動
Revenue	營業額	1,763,675	1,715,710	+2.8%
Gross profit	毛利	1,053,981	1,088,700	-3.2%
Gross profit margin	毛利率	59.8%	63.5%	
Operating profit	營運盈利	733,573	185,778	+294.9%
EBITDA margin [±]	EBITDA率 [±]	49.4%	47.6%	
EBIT margin ^{±±}	EBIT率 ^{±±}	41.6%	10.8%	
EBIT margin (adjusted figure for the same period in 2020) [#]	EBIT率(經調整2020年同期 數) [#]	41.6%	39.7%	
Profit for the period	本期間盈利	581,465	66,192	+778.5%
Profit for the period (adjusted figure for the same period in 2020) [#]	本期間盈利(經調整2020年 同期數) [#]	581,465	561,690	+3.5%
Profit/(loss) attributable to the equity holders of the Company	本公司權益持有人應佔盈 利/(虧損)	481,129	(45,434)	+1159.0%
Profit attributable to the equity holders of the Company (adjusted figure for the same period in 2020) [#]	本公司權益持有人應佔盈利 (經調整2020年同期數) [#]	481,129	450,064	+6.9%
Net cash generated from operating activities	營運活動產生之現金淨額	485,403	467,520	+3.8%
		RMB cents 人民幣分	RMB cents 人民幣分	
Basic and diluted earnings/(loss) per share	每股基本及攤薄盈利/ (虧損)	15.48	(1.46)	+1159.0%
Basic and diluted earnings per share (adjusted figure for the same period in 2020) [#]	每股基本及攤薄盈利 (經調整2020年同期數) [#]	15.48	14.48	+6.9%
		HK cents 港幣仙	HK cents 港幣仙	
Proposed interim dividend per share	擬派每股中期股息	6.4	—	
Special dividend per share	每股特別股息	—	6.0	

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

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

Excluding impairment of goodwill of RMB495,498,000 for the six months ended 30 June 2020.

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

±± 「EBIT率」等於「除稅及利息前的盈利」除以「營業額」。

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

Management Discussion and Analysis

INDUSTRY OVERVIEW

Overview of the tobacco industry

During the Reporting Period, the Chinese government implemented large-scale and efficient vaccination programme, ensuring an effective control of the Pandemic and stable recovery of various economic activities. According to the data from National Bureau of Statistics, the cigarette production volume in China reached 25.808 million cases in the first half of 2021, representing an increase of 1.7% year-on-year, the production of the tobacco industry in the PRC was stable.

From a global perspective, innovative tobacco products have become increasingly popular and of interest to consumers because they have the efficacy of harm reduction and meet the demand of consumers for a healthy life. According to the data released by international tobacco companies, the share of innovative tobacco business in their revenue has been continuously increasing, and the trend is expected to continue and take up more market share of traditional tobacco products. In order to cope with this change in the tobacco industry, international tobacco companies further accelerate business transformation, increase R&D investment in innovative tobacco products and personnel development, and continuously optimise product quality and performance, increase market share of innovative tobacco products, and reduce the harm of tobacco products to consumers' health.

During the Reporting Period, the regulatory policy on innovative tobacco products became the focus of the capital market and companies in the tobacco industry chain. The regulatory authority issued a consultation paper to the public to amend the "Implementation Regulations of the Tobacco Monopoly Law of the People's Republic of China" ("Implementation Regulations") to discuss whether e-cigarettes should be enforced in accordance with the relevant provisions on cigarette in the Implementation Regulations. Although details of the regulations have not yet been released, the market generally believes that the consultation paper will further regulate the production and operation activities of e-cigarette enterprises so as to protect people's health, ensure fiscal revenue and enable the healthy and sustainable development of the e-cigarette industry. With regard to HNB cigarettes, the HNB tobacco products of Chinese tobacco companies are only sold in some overseas countries and regions, and are not allowed to be sold in China. They are only available for consumers to experience in the experience shops in some cities. Overall, the prospects for the development of innovative tobacco products are promising. However, due to the different regulatory policies in countries and regions, companies in the tobacco industry chain are required to formulate specific development strategies tailored to markets to reduce operational risks and achieve sustainable business development.

管理層討論及分析

行業概況

煙草行業概況

報告期內，中國政府大規模、高效率地推進疫苗接種工作，使疫情在國內得到有效控制，各項經濟活動穩定恢復。根據國家統計局數據，2021年上半年中國捲煙產量達到2,580.8萬箱，同比增加1.7%，中國煙草行業的生產活動穩健。

從全球範圍來看，新型煙草產品因為具備減害的功效，滿足了當下消費者追求健康生活的需求，越來越受到消費者的喜愛和關注。根據國際煙草公司公佈的數據，新型煙草業務在它們收入中的佔比不斷提升，並且有望繼續維持這一趨勢，佔據更多傳統煙草產品的市場份額。為了應對煙草行業的這一變化，國際煙草公司進一步加速業務轉型，提升在新型煙草產品方面的研發投入和人才建設，並不斷優化產品質量和性能，提升新型煙草產品的市場份額，減少煙草產品對消費者健康的危害。

報告期內，有關新型煙草產品的監管政策成為資本市場和煙草產業鏈上企業關注的焦點。監管機構向社會發佈修改《中華人民共和國煙草專賣法實施條例》（《實施條例》）的《徵求意見稿》，討論是否將電子煙參照《實施條例》中關於捲煙的有關規定執行。雖然目前監管的細則尚未出台，但市場普遍認為《徵求意見稿》的推出將進一步規範電子煙企業的生產經營活動，保護人民健康，保證財政收入，使電子煙行業健康可持續發展。HNB捲煙方面，中煙公司的HNB煙草產品僅在海外部份國家和地區銷售，在國內並未允許銷售，僅在部份城市的體驗店供消費者體驗。整體而言，新型煙草產品發展前景廣闊。但由於各個國家和地區監管政策的不同，煙草產業鏈上的企業需要在不同的市場制定不同的發展策略減低經營風險，做到業務可持續發展。

Management Discussion and Analysis (cont'd)

As for tobacco leaves, over the past few years, the STMA has made great efforts to advance the effectiveness of the structural reform on the supply side of the industry and thoroughly implemented the policy of “consolidation, enhancement, upgrade and facilitation”, while maintain to promote “capacity reduction, de-stocking, deleveraging, cost reduction and improvement of underdeveloped areas” with focus on inventory reduction. In addition, the STMA stressed the importance of basic protection of tobacco fields, accelerating the mechanisation of the entire tobacco leaves production process, optimising the layout of tobacco leaves production, improving the quality of tobacco leaves supply and optimising the supply structure of tobacco leaves, and making every effort to stabilise the supply foundation of tobacco leaves. (Source: Eastobacco.com)

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

As one of the first countries to successfully combat the Pandemic, China's economy grew by 12.7% year-on-year in the first half of the year. Amidst sluggish growth and slowing demand from major overseas economies, the Chinese government advocated policies to stimulate domestic consumption, and the food and beverage industry, which is a consumer staple industry, has benefited from the policies to recover. According to the National Bureau of Statistics, in the first half of 2021, the gross output of the agricultural product processing industry with enterprises of designated size or above grew by 10.7% year-on-year, while that of the food processing industry grew by 9.9% year-on-year. The output value of the alcohol, beverage and refined tea processing industry grew by 13.3% year-on-year. The food and beverage industry is in high demand with growing per capita consumer spending, leaving ample room for industry growth. However, competition in the industry has been fierce due to rapid changing consumer demand and the flock of new brands. Under the trend of “natural, healthy and nutritious”, food and beverage companies pursued to optimise their product mix, and enhance R&D and brand promotion of natural products. In the first half of 2021, high-end new tea and beverage companies successfully entered the capital market, further raising consumer awareness of the quality and healthiness of ingredients used by food and beverage companies. As raw material suppliers, flavours and fragrances companies also need to position themselves in the natural flavours and fragrances sector to complement their customers' transformation and meet consumer demand.

管理層討論及分析 (續)

煙葉方面，過去幾年，國煙局著力提升行業供給側結構性改革成效，深入落實「鞏固、增強、提升、暢通」方針，持續推進「三去一降一補」，著力減庫存。此外，國煙局強調要抓好基本煙田保護，加快推進煙葉生產全程機械化，優化煙葉生產佈局，提升煙葉供給質量，和優化煙葉供給結構，全力穩固煙葉基礎。(來源：東方煙草網)

食品飲料及日化行業概況

作為全球率先成功防控疫情的國家之一，中國經濟在上半年實現同比增長12.7%。在海外主要經濟體增長疲軟、需求放緩的情況下，中國政府提倡刺激國內消費，作為居民必需消費品的食品飲料行業受益復甦。根據國家統計局數據，2021年上半年，規模以上農副食品加工業增加值同比增長10.7%，食品製造業增加值同比增長9.9%，酒、飲料和精製茶製造業增加值同比增長13.3%。食品飲料行業需求大，人均消費支出持續增長，行業增長空間廣闊，但由於消費者需求變化快，新品牌不斷湧入，行業競爭激烈。在「天然、健康、營養」的趨勢下，食品飲料企業持續優化產品結構，提升對天然產品的研發和品牌宣傳。2021年上半年，高端新式茶飲企業成功走向資本市場，進一步提升了消費者對食品飲料企業原料品質和健康程度的關注。作為原料供應商，香精香料企業也需要在天然香精香料領域佈局，配合客戶轉型，滿足消費者需求。

Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

In the daily-use chemical industry, the Pandemic has made consumers pay more attention to personal protection with increasing demand for personal protective products. With economy and consumer demand on the rise, consumers have increasing demand for room fragrance products, which can be used in homes, hotels and large complexes, indicating the products' huge market potential. Furthermore, with the up-and-coming "pet economy", daily-use chemical products for pets will be one of the next growth points for the industry.

日化行業方面，疫情使消費者更加注重個人防護，消費者對個人防護產品的需求增多。隨著經濟發展及消費升級，消費者對空間香氛產品的需求也不斷上升，家庭、酒店、大型綜合體等都是空間香氛產品應用的場所，空間香氛產品市場潛力巨大。此外，隨著「寵物經濟」的崛起，寵物用日化產品也是行業接下來關注的增長點之一。

Overview of the condiment industry

調味品行業概況

According to the National Bureau of Statistics, revenue from the catering industry reached RMB2,171.2 billion in the first half of 2021, representing an increase of 48.6% year-on-year. Revenue from the catering industry grew by 2% as compared to the same period in 2019 before the Pandemic. In the post-Pandemic era, customers' demand for fast foods and takeaways increased, which resulted in restaurants' increasing demand for pre-made products, semi-finished products and dishes that can be prepared quickly to improve operational efficiency and increase sales revenue. Facing the changes in the market, the condiment enterprises will need to adjust their product and operational strategies flexibly to consolidate their clients focusing on dine-in business, and develop more clients focusing on fast foods and takeaways. On top of that, upstream condiment enterprises need to consider how they can customise their condiment solutions for new product launches by catering companies to heighten the competitiveness of their products.

根據國家統計局數據，2021年上半年，餐飲業收入達到人民幣2,171.2億元，同比增長48.6%。與疫情未發生前的2019年同期相比，餐飲業收入增長2%。後疫情時代，消費者對快餐和外賣的需求上升，導致餐飲企業對預製品、半成品以及能夠快速製作完成的菜品需求增加，以提高經營效率，增加銷售收入。面對市場環境的變化，調味品企業需要靈活調整產品和經營策略，在穩固以堂食為主營業務的餐飲客戶的同時，開拓更多以快餐和外賣為主營業務的客戶。此外，作為上游的調味品企業需要思考如何為餐飲企業推出的新產品定制調味方案，提升餐飲企業產品的競爭力。

With the Chinese government's "dual circulation" strategy to stimulate domestic consumption, the outlook for the domestic catering market and condiment market is promising. With more and more new companies entering the condiment market to compete for business and more investment from investment institutions, competition in the condiment industry will become increasingly intense. Condiment companies will need to enhance their competitiveness in all aspects, including products, sales channels, marketing and service standards, in order to secure and expand their market share and boost business performance.

隨著中國政府推出「雙循環」策略刺激國內消費，國內餐飲市場和調味品市場發展前景看好。越來越多的新企業進入到調味品市場爭搶業務，投資機構也加大對調味品企業的投資，調味品行業的競爭將更加激烈。調味品企業將需要從產品、渠道、營銷、服務水平等各個方面全方位提升競爭力，才能穩固和拓展市場份額，提升經營業績。

Management Discussion and Analysis (cont'd)

RESULTS

During the Reporting Period, the Group achieved a sales revenue of approximately RMB1,764 million, representing a year-on-year increase of 2.8%; gross profit margin of approximately 59.8%, representing a year-on-year decrease of 3.7 percentage points; operating profit of approximately RMB734 million, representing a year-on-year increase of 294.9%; operating profit margin of approximately 41.6%, representing a year-on-year increase of 30.8 percentage points; profit attributable to the equity holders of the Company of approximately RMB481 million, representing a year-on-year increase of 1,159.0%; basic earnings per share of approximately RMB15.48 cents, representing an increase of 1,159.0% year-on-year.

In the 2020 interim report, the Group recognised an impairment of goodwill of RMB495,498,000 for the cash-generating unit of Jiahao ("Jiahao's Goodwill Impairment"). Excluding the impact of Jiahao's Goodwill Impairment, the operating profit increased by approximately 7.7% year-on-year; the operating profit margin increased by approximately 1.9 percentage points year-on-year; profit attributable to the equity holders of the Company increased by approximately 6.9% year-on-year; basic earnings per share increased by approximately 6.9% year-on-year.

BUSINESS REVIEW

Review of the flavours and fragrances business

During the Reporting Period, sales revenue of the flavours and fragrances business of the Group amounted to approximately RMB910 million, representing a decrease of approximately 2.2% year-on-year, and accounting for approximately 51.6% of the Group's total revenue. Operating profit of the business segment amounted to approximately RMB576 million, representing a decrease of 0.9% year-on-year; and EBIT margin was approximately 63.3%, representing an increase of approximately 0.8 percentage point year-on-year. The increase in EBIT margin of the flavours and fragrances segment was mainly due to the effective cost control measures.

管理層討論及分析 (續)

業績

報告期內，本集團實現銷售收入約人民幣17.64億元，同比增長2.8%；毛利率約59.8%，同比下降3.7個百分點；營運盈利約人民幣7.34億元，同比增長294.9%；營運盈利率約41.6%，同比增長30.8個百分點；本公司權益持有人應佔盈利約人民幣4.81億元，同比增長1,159.0%；每股基本盈利約人民幣15.48分，同比增長1,159.0%。

於2020年中期報告，集團確認了嘉豪所屬現金產生單位的商譽減值人民幣495,498,000元（「嘉豪商譽減值」）。撇除嘉豪商譽減值的影響，營運盈利同比增長約7.7%；營運盈利率同比增長約1.9個百分點；本公司權益持有人應佔盈利同比增長約6.9%；每股基本盈利同比增長約6.9%。

業務回顧

香精業務回顧

報告期內，本集團香精業務銷售收入約人民幣9.10億元，同比減少約2.2%，佔整個集團的收入約51.6%。板塊營運盈利約人民幣5.76億元，同比下降約0.9%；EBIT率約63.3%，同比增加約0.8個百分點。香精板塊EBIT率的提升主要由於有效管控費用所致。

Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

(1) Flavours

In the area of tobacco flavours, the Group has been actively and promptly responding to the customised needs of customers to stabilise its market share in the traditional tobacco flavours business, and for HNB tobacco flavours, the Group has conducted sensory evaluation and selection of various aroma raw materials and developed different models of flavours and fragrances products according to customers' needs, and these products have been used in some customers' products. The Group proactively collects feedback from customers to improve the style of HNB tobacco flavours and enhances product stability. In terms of food flavours, the Group has developed popular flavours such as black garlic and vine pepper, bringing a different flavour experience to consumers and expanding the market scope. With the popularity of plant-based meat in the market, the Group also developed condiment scheme for plant-based meat and applied them in the products of a number of plant-based meat producers to inflate the taste of plant-based meat and meet the growing demand of consumers for healthy products.

(2) Fragrances

The Group's fragrance business is divided into four main categories, namely insect-repelling incenses, personal care, detergents and others. To better serve and meet the needs of different customers, the Group has further refined its business structure by introducing other sub-segments such as room fragrances, home cleaning, perfumes and cosmetics. In the first half of the year, the Group developed new customers and invested in new products, resulting in year-on-year revenue growth in the fragrance business.

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

During the Reporting Period, the Group adjusted the use of the funds raised from the initial public offering of Huabao Flavours in 2018 and the implementation plans for the investment projects so as to better to respond to the industry changes and the Group's development. The Group continued the construction of "Huabao Yingtan Flavours and Ingredients Production Base Project" ("Huabao Yingtan Project"), change the "Huabao H&K Food Flavours and Food Technology Development Project" to "Huabao Technology Innovation Centre and Supporting Facilities Project" ("Huabao TechInno Project"), and launched the new "Huabao Digital Transformation Project" ("Huabao Digital Project"), and ceased the "Lhasa Pure Land Healthy Food Project".

(1) 食用香精

煙用香精方面，集團積極迅速響應客戶的定制化需求，穩定傳統煙用香精業務的市場份額。HNB煙用香精方面，集團對各類香原料進行感官評價篩選，並根據客戶需求開發出不同型號的香精產品，這些香精產品已經用於部份客戶的產品當中。集團積極收集客戶的反饋，改進HNB煙用香精產品風格，提升產品的穩定性。食品用香精方面，集團開發出黑蒜、籐椒等流行風味，為消費者提供別樣風味體驗，拓展了市場範圍。隨著植物肉受到市場歡迎，集團也開發出一些針對植物肉的調味方案，並應用在多個植物肉生產企業的產品當中，提升植物肉的口感，滿足消費者對健康產品日益增長的需求。

(2) 日用香精

集團日用香精業務主要分為熏香消殺、個人護理、洗滌用品和其他四個主要類別。為了更好地服務客戶，滿足不同消費者的需求，集團進一步完善業務結構，推出空間香氛、家居清潔、香水及化妝品等其他細分板塊。上半年，集團開拓新客戶、投入新產品，日用香精業務收入同比錄得增長。

香精業務募集資金投資進度

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

Management Discussion and Analysis (cont'd)

As at 30 June 2021, the cumulative amount of the funds raised from the initial public offering of Huabao Flavours in 2018 and dedicated for the Huabao Yingtan Project was approximately RMB109.5191 million, representing an investment progress of approximately 10.59%; the cumulative amount of IPO proceeds that was dedicated for the Huabao TechInno Project was approximately RMB114,000, representing an investment progress of approximately 0.03%; Huabao Digital Project is currently conducting relevant business activities and preliminary research work and the cumulative amount dedicated for the project was RMB0. The balance of the unused IPO proceeds amounted to approximately RMB1,710 million.

Review of the tobacco raw materials business

During the Reporting Period, sales revenue of the Group's tobacco raw materials business was approximately RMB209 million, representing a year-on-year decrease of 31.2%, and accounting for approximately 11.8% of the Group's total revenue. Operating profit of the business segment reached approximately RMB61.29 million, representing a year-on-year decrease of approximately 46.8%; and EBIT margin was approximately 29.4%, representing a year-on-year decrease of approximately 8.6 percentage points. The decrease in the sales revenue of this segment was mainly due to the imbalance between supply and demand in the RTL industry and the intense competition in the cigarette capsule industry that results in a declining sales price of capsule.

(1) RTL

On the demand side, the demand for RTL remained weak due to the ongoing de-stocking of tobacco leaves and the increasing share of sales of slim and medium cigarettes. On the supply side, there is excess production capacity in the RTL industry, with supply far exceeds demand. The imbalance between supply and demand led to a decline in revenue in the Group's RTL business. In response to the sluggish market conditions in the traditional RTL business, the Group formulated and began to implement a strategy to develop HNB RTL. In the domestic market, the Group has leveraged its technology and experience in the field of RTL to provide HNB RTL products to some of its customers in the PRC. In the overseas market, the Group has completed the basic construction of HNB RTL plant in Southeast Asia and commenced the construction of ancillary facilities and installation of equipment. Meanwhile, the factory has successfully developed clients and reached sales commitment with them. The Group believes that as consumer demand changes and upgrades, the market for HNB RTL has a bright future and will gradually become a growth point for the RTL business in the future.

管理層討論及分析 (續)

截至2021年6月30日，華寶鷹潭項目使用華寶股份於2018年首次公開募股資金累計約人民幣10,951.91萬元，投資進度約10.59%；華寶科創項目使用資金累計約人民幣11.4萬元，投資進度約0.03%；華寶數字項目目前正在進行相關商務活動和前期調研工作，使用資金累計約人民幣0元。尚未使用的募集資金餘額約人民幣17.10億元。

煙用原料業務回顧

報告期內，本集團煙用原料業務銷售收入約人民幣2.09億元，同比下降31.2%，佔整個集團的收入約11.8%。板塊營運盈利約人民幣6,129萬元，同比下降約46.8%；EBIT率約29.4%，同比下降約8.6個百分點。板塊銷售收入下降主要是由於再造煙葉行業供需不平衡及煙用膠囊行業競爭激烈導致膠囊銷售價格持續下滑。

(1) 再造煙葉

從需求端看，由於持續進行的煙葉去庫存以及細支煙和中支煙銷售佔比提升，煙草行業對再造煙葉的需求仍然疲弱。從供給端看，再造煙葉行業產能過剩，供給遠大於需求。供需不平衡導致集團再造煙葉業務收入下滑。為應對傳統再造煙葉業務不景氣的市場環境，集團制定了發展HNB再造煙葉的策略並開始實施。在國內市場，集團憑藉在再造煙葉領域積累的技術和經驗，為國內部份客戶提供了HNB再造煙葉產品。在海外市場，集團在東南亞地區的HNB再造煙葉工廠已經完成基本的廠房建設，並開始進行配套設施的建設和設備的安裝工作。同時，該工廠已經成功開發客戶並達成銷售承諾。集團相信，隨著消費者需求的變化和升級，HNB再造煙葉的市場前景廣闊，並將在未來逐步成為再造煙葉業務的增長點。

Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

(2) Tobacco new materials

The market demand for capsule cigarettes has slowed down due to the impact of state regulations and a decline in consumer interests. With a large number of cigarette capsule suppliers in the PRC, competition in the market was intense and the downward pressure on product prices continued to increase. During the Reporting Period, the Group exported cigarette capsules to overseas markets to boost revenue. In addition, the Group promoted food capsules to food and beverage customers. The food capsules not only have a wide range of flavours, but can also be enriched with different nutrients such as probiotics, which has been recognised by food and beverage customers. In the first half of the year, food capsules accounted for approximately 10% of the Group's sales revenue from capsules. In terms of cigarette filters, Hunan Jishou has optimised and upgraded its cigarette filter production line to improve product yield and quality and provide customers with quality products. Hunan Jishou has also been actively improving its technology and product reserves in the HNB cigarette filters, which aims to be well prepared for the HNB cigarette filter market.

(2) 捲煙新材料

受到國家監管影響和消費者新鮮感下降的影響，膠囊香煙的市場需求放緩。國內煙用膠囊供應商多，市場競爭激烈，產品價格下滑壓力持續增加。報告期內，集團將煙用膠囊出口至海外市場以提升收入。此外，集團向食品飲料客戶推廣食品用膠囊。食品用膠囊不僅口味豐富，膠囊中還可以添加益生菌等不同營養成份，受到食品飲料客戶認可。上半年，食品用膠囊佔據膠囊銷售收入的比重達到約一成。濾棒方面，湖南吉首對濾棒生產線進行優化升級，提升產品得率和質量，為客戶提供優質的產品。湖南吉首也積極提升在HNB捲煙專用濾棒方面的技術和產品儲備，為發展HNB捲煙專用濾棒市場做好準備。

The operating results of the tobacco raw materials segment declined in the short term. However, as the Group actively optimises its strategy, the Group is confident that it can seize the development opportunities brought by the innovative tobacco products, promote the management level of the segment, acquire more customers and businesses, and enable the segment to have good performance in the future.

煙用原料板塊的經營業績在短期內有所下滑，但隨著集團積極優化戰略，集團有信心能夠把握新型煙草產品帶來的發展機遇，推進板塊經營管理水平的提升，獲取更多的客戶和業務，使板塊在接下來有優秀的表現。

Review of the aroma raw materials business

During the Reporting Period, sales revenue of the aroma raw materials business of the Group was approximately RMB320 million, representing a year-on-year increase of 6.0% and, accounting for approximately 18.2% of the Group's total revenue. Operating profit of the business segment reached approximately RMB22.44 million, representing a decrease of 42.2% year-on-year; and EBIT margin was approximately 7.0%, representing a decrease of approximately 5.8 percentage points year-on-year. The increase in revenue of the aroma raw materials segment was mainly due to the macroeconomic recovery and rebound in market demand, while the decrease in operating profit was mainly due to the increase in raw material prices and the less than expected market demand.

香原料業務回顧

報告期內，本集團香原料業務銷售收入約人民幣3.20億元，同比上升6.0%，佔整個集團的收入約18.2%。板塊營運盈利約人民幣2,244萬元，同比下降42.2%；EBIT率約7.0%，同比下降約5.8個百分點。香原料板塊收入增加主要由於宏觀經濟恢復，市場需求反彈，營運盈利下降主要由於原材料價格上漲及市場需求不及預期。

Management Discussion and Analysis (cont'd)

During the Reporting Period, domestic and international vaccination efforts were progressing and economic activities have been gradually recovering. However, the market demand did not restore to what it was before the Pandemic. In addition, the increase in commodity prices led to a rise in raw material prices for aroma raw material products, thus squeezing the profitability of aroma raw material products.

The production process of aroma raw materials involves the use and reaction of different types of chemical materials. Through education activities and drills organised in "Production Safety Month", the aroma raw materials segment raised the employees' awareness of production safety and the ability to deal with dangerous situations to ensure business operations in a safe, orderly, and standardised manner.

Review of the condiment business

During the Reporting Period, the sales revenue of the Group's condiment business was approximately RMB324 million, representing a year-on-year increase of 82.8%, and accounting for approximately 18.4% of the Group's total revenue. The operating profit was approximately RMB61.81 million and operating profit margin was approximately 19.1%. The increase in revenue of the condiment segment was mainly due to increased sales volume as demand in the catering industry recovered, and the operating profit increased accordingly.

In response to the demand of catering companies to reduce costs and increase efficiency in the post-Pandemic era, the Group's R&D team collaborated with celebrity chefs to launch a series of sauce products. These new products, which cover different flavours such as sour, spicy and fresh, can be applied to various types of cold dishes to enrich the flavour and colour of the dishes right away, saving the chefs' time in seasoning and offering speedy serving. The sauce products have been well-received by customers and sales revenue has doubled, becoming the product category that contributes the most revenue following the three core products: chicken sauce, mustard and juice.

In terms of sales channels, the Group optimised its distributor system and strengthened partnerships with distributors with strong sales capabilities, good reputation and extensive network coverage. The Group's own sales team actively communicated with distributors to assist them in product promotion, after-sales service and sales management, strengthening the sales capacity of distributors and enhancing the Group's sales revenue. As at 30 June 2021, there were over 350 Tier 1 distributors in the condiment segment. In terms of online sales channel, the flagship shop of Jiahao on Tmall mainly serves as a brand promotion to facilitate end consumers in need to better know about Jiahao's products.

管理層討論及分析 (續)

報告期內，海內外國家和地區的疫苗接種工作不斷推進，經濟活動逐步復甦，市場對香原料產品的需求反彈。雖然如此，市場的需求並沒有恢復到疫情前水平。此外，大宗商品價格上漲導致香原料產品的原材料價格上升，香原料產品的盈利空間受到擠壓。

香原料的生產過程涉及到不同類別化工原料的使用和反應。香原料板塊通過舉行「安全生產月」的主題教育活動和演習，提升員工安全生產意識和應對危險情況的能力，保證業務安全、有序、規範的展開。

調味品業務回顧

報告期內，本集團調味品業務銷售收入約人民幣3.24億元，同比增長82.8%，佔整個集團收入約18.4%。營運盈利約人民幣6,181萬元，營運盈利率約19.1%。調味品板塊收入增加主要是由於餐飲業市場需求復甦，產品銷量增加，營運盈利相應增加。

集團根據後疫情時代餐飲企業降本增效的需求，組織研發團隊和明星廚師展開合作，推出一系列調味汁產品。這些新產品涵蓋酸、辣、鮮等不同風味，應用於各類涼菜，能夠迅速豐富涼菜的味道和色澤，節省廚師調味時間，提升上菜速度。調味汁產品受到客戶歡迎，銷售收入翻倍增長，成為雞汁、芥辣、果汁三個核心產品之後貢獻收入最多的產品類別。

銷售渠道上，集團對經銷商體系進行優化，強化與銷售實力強、信譽好、網絡覆蓋廣的經銷商合作關係。集團自有的銷售團隊積極與經銷商保持溝通，協助他們進行產品推廣、售後服務、銷售管理，強化經銷商的銷售能力，提升集團的銷售收入。截至2021年6月30日，調味品板塊一級經銷商超過350家。線上銷售渠道方面，嘉豪在天貓的旗艦店主要起到品牌宣傳的作用，方便有需要的終端消費者更好的瞭解嘉豪的產品。

Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

In terms of brand marketing, after nearly three years of hard work, the brand image of Jiahao as the “China Flavour Expert” has left a deep impression among customers. Jiahao has been pushing the boundaries of its marketing strategy to meet the changing market trends on flavours. During the Reporting Period, Jiahao used Hunan cuisine as an entry point and organised an advertising campaign on the theme of “Making juicy Hunan dishes with chicken sauce” to promote the use of chicken sauce in Hunan stir fry by collaborating with Hunan chefs to boost the sales of Jiahao’s core products. In addition, Jiahao provided chefs with mustard solutions for use in seafood and vegetable dishes, further broadening the application of mustard products.

During the Reporting Period, Jiahao’s sales revenue has gradually recovered to the same level as the corresponding period in 2019. As competition in the condiment industry intensifies, Jiahao will continue to enhance its operational and management capabilities to meet the challenges. Meanwhile, the Group’s management is establishing financing platform to provide solid protection for the future development of Jiahao.

The Group is confident in the development prospects of the catering market and condiment market in China and believes that Jiahao will contribute more to the Group’s development in the future. At the end of the Reporting Period, the Group performed an impairment test on the goodwill of Jiahao’s cash-generating unit as at 30 June 2021. Based on the results of the impairment test, there is no indication of further goodwill impairment of Jiahao’s cash-generating unit as at 30 June 2021, except for the impairment of RMB495,498,000 which has already been recognised in mid-2020.

品牌營銷方面，經過近三年的努力，嘉豪「中國味道專家」的品牌形象已經在客戶心中留下深刻印象。嘉豪針對市場流行風味的變化，不斷在營銷策略上推陳出新。報告期內，嘉豪以湘菜為切入點，組織了「雞汁小炒，香汁湘愛」的主題推廣活動，通過與湘菜大廚合作，推廣雞汁在湘菜小炒中的應用，提升嘉豪核心產品的銷量。此外，嘉豪向廚師提供芥辣菜系的解決方案，並應用在海鮮、蔬菜等菜系中，進一步拓寬芥辣產品的應用場景。

報告期內，嘉豪的銷售收入已經逐步恢復到2019年同期水平。隨著調味品行業競爭更加激烈，嘉豪會不斷提升自身的經營和管理能力應對挑戰。同時，集團管理層正建立融資平台，為嘉豪未來的發展提供堅實保障。

集團對中國餐飲市場和調味品市場的發展前景充滿信心，並相信嘉豪在未來能為集團的發展貢獻更多業績。於本報告期末，本集團為嘉豪現金產生單位於2021年6月30日之商譽進行減值測試。根據減值測試的結果，除了已經在2020年中期確認的人民幣495,498,000元減值外，嘉豪現金產生單位之商譽於2021年6月30日沒有進一步減值的跡象。

Management Discussion and Analysis (cont'd)

Review of R&D

During the Reporting Period, the Group's investment in R&D was approximately RMB109 million. R&D expenses accounted for approximately 6.2% of sales revenue, representing a decrease of 0.1 percentage point as compared to the corresponding period last year.

In terms of flavours and fragrances, the Group was granted two invention patents and two utility patents. Guangzhou Huafang was granted the invention patent of "Fe-based silkworm excrement biochar adsorption slow-release method for phenylethanol", which enhanced its technological capability in R&D of tobacco flavours. Xiamen Amber Daily Chemical Technology Co., Ltd. was granted the utility patent of "a microcapsule flavour drying device", which strengthened its ability to apply microcapsule products in daily-use chemical flavours. The flavours and fragrances segment received seven awards in the first half of the year, among which Guangzhou Huafang was awarded the title of "Guangdong Famous High-tech Product" by the Guangdong Hi-tech Enterprise Association. These awards reflect the recognition of the Group's product quality and management standards by professional institutions.

In tobacco raw materials business, the Group was granted a total of eight patents. Through continuous efforts, the Group has made progress in innovative tobacco-related products and technologies, and has been granted patents for "Equipment for the production of plant-solidify sections of HNB tobacco", "HNB tobacco and its smoking sections" and "HNB tobacco and HNB systems". These patents deepen the Group's technological strength in the field of innovative tobacco and provide a solid foundation for grasping the future development opportunities in the innovative tobacco market.

In aroma raw materials business, Zhaoqing Perfumery Co., Ltd. (Guangdong) was granted the invention patent of "A method for recovering ethyl maltol from ethyl maltol production wastewater". In condiments business, Jiahao was awarded the "Zhongshan Grade A Engineering Technology Research Centre", reflecting the recognition of Jiahao's strength in flavour R&D.

Human Resources and Corporate Culture Construction

As at 30 June 2021, the Group employed a total of approximately 3,448 employees in mainland China, Hong Kong and Germany, and etc.

管理層討論及分析 (續)

研發回顧

報告期內，集團投入研發費用約人民幣1.09億元。研發費用佔銷售收入的比例約為6.2%，與去年同期相比減少約0.1個百分點。

香精方面，集團獲得兩項發明專利和兩項實用新型專利。廣州華芳獲得《一種Fe基蠶沙生物炭對苯乙醇的吸附緩釋方法》的發明專利，提升了在煙用香精研發方面的技術能力。廈門琥珀日化科技股份有限公司獲得《一種微膠囊香精乾燥裝置》實用新型專利，強化了將微膠囊產品應用在日化用香精中的能力。香精板塊在上半年共獲得7項獎勵，其中廣州華芳獲得廣東省高新技術企業協會頒發的《廣東省名優高新技術產品》稱號。這些獎勵體現出集團的產品質量受到專業機構的認可。

煙用原料方面，集團一共獲得8項專利。通過不斷努力，集團在新型煙草相關產品和技術方面獲得進步，獲得《加熱不燃燒煙植物固型段的製作設備》、《加熱不燃燒煙及其發煙段》以及《加熱不燃燒煙支和加熱不燃燒系統》的專利。這些專利深化了集團在新型煙草領域的技術實力，為將來把握新型煙草市場發展機遇提供了堅實基礎。

香原料方面，廣東肇慶香料廠有限公司獲得《一種從乙基麥芽酚生產廢水中回收乙基麥芽酚的方法》的發明專利。調味品方面，嘉豪獲得《中山市工程技術研究中心A級》的獎勵，體現出嘉豪的味道研發實力受到認可。

人力資源和企業文化建設

於2021年6月30日，本集團在中國內地、香港、德國等地共聘用員工約3,448人。

Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

In the first half of 2021, the Pandemic was gradually brought under control in mainland China and production and operations resumed to normal across the Group. In order to facilitate swift development in the post-Pandemic era, the Group conducted a management trainee recruitment and development programme. The management trainee programme consisted of five stages: training warm-up, training initiation, course learning, job rotation and debriefing, and was supervised and implemented by the Group's management and human resources department. Through the programme, the management trainees will have an in-depth understanding of the operation and management of various business segments of Huabao, preparing them for their future career on the Group's platform. In order to upgrade the working skills of the Group's staff, the Group organised an online course called "Huabao Lecture" to provide regular training on legal, investment, financial, corporate management, environmental, social and governance reporting to brush up the knowledge of the staff, enabling them to work with high proficiency in cross-departmental collaboration. For staff working overseas, the Group has also raised the level of allowances and benefits to motivate them to work harder. The Group continued to revamp its staff development mechanism and staff promotion system, setting out clear promotion criteria and feasible plans, further boosting staff motivation. The Group also arranged for staff to study the Anti-Fraud and Whistleblowing System and the Staff Handbook to regulate their work behaviour and collaboration with external parties, so as to clarify their job responsibilities and reinforce their moral and ethical standards.

The year 2021 is the first year of the "Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035" and the Chinese government has proposed a "dual circulation" development concept to promote consumption and economic development. In order to capture the development opportunities, the Group recognised the importance of corporate culture and branding in complementing corporate competitiveness, building up corporate competitive advantages and promoting corporate development. In terms of corporate culture, the management has reshaped the corporate culture by expounding the vision, mission, values, spirit and talent of Huabao, while convened various departments to learn and explore the corporate culture, encouraging employees to be more conscientious and improve themselves, and continuously solve problems and create value for customers. The Group invited staff from different departments and levels to share the difficulties and challenges they encountered at Huabao for colleagues to exchange ideas and complement each other's strengths for better stress tolerance, resilience and communication skills. In terms of brand building, the Group has set specific branding standards for each business unit aiming to present a professional and uniform image in promotional business events, enhancing the Group's brand recognition and awareness.

2021年上半年，疫情在中國內地逐步得到控制，集團各地的生產經營都已經恢復正常。為了促進企業在後疫情時代更快的發展，集團進行了管理培訓生的招募和培養工作項目。管理培訓生項目包括培訓預熱、培訓啟動、課程學習、輪崗和述職匯報五個階段，並由集團管理層和人力資源部領導負責監督和執行。通過項目，管理培訓生對華寶各業務板塊的經營和管理有了深入的瞭解，為未來在集團平台上施展才華做好準備。為了提升集團員工的工作技能，集團組織「華寶大講堂」網絡課堂，定期為員工進行在法律、投資、財務、企業管理、環境社會及管治報告方面的培訓，完善員工知識結構，使員工能夠在進行跨部門合作時得心應手。對於在海外工作的員工，集團也提升了他們的津貼和福利水平，激勵他們更加努力地工作。集團不斷完善對員工的培養機制，並重新對員工的晉陞體系進行梳理，制定明確的晉陞標準和可行性方案，進一步提高員工工作的積極性。此外，集團還安排員工認真學習《反舞弊與舉報制度》和《員工手冊》，規範員工的工作行為及與外部各方的協作，使員工明確工作中的責任，提升員工的道德操守水平。

2021年是「中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要」規劃的第一年，中國政府已經提出「雙循環」的發展理念促進消費和經濟發展。為了把握發展機遇，集團認識到企業文化和品牌對提升企業競爭力、建立企業競爭優勢、促進企業發展的重要性。企業文化方面，管理層重塑企業文化，對華寶的願景、使命、價值觀、精神、人才觀進行了具體的闡釋，並召集各個部門對企業文化進行學習和探討，使員工能夠在工作當中更加嚴格的要求和提升自己，不斷為客戶解決問題、創造價值。集團邀請不同部門和層級的員工分享在華寶工作遇到的困難和挑戰，讓同事之間互相交流，取長補短，提升在工作時的抗壓能力、應變能力和溝通能力。品牌建設方面，集團對各業務部門的品牌宣傳提出了具體標準，使宣傳活動能夠以專業和統一的形象出現在商務活動中，提升集團品牌辨識度和知名度。

Management Discussion and Analysis (cont'd)

OUTLOOK

In the second half of 2021, the Group will continue to adhere to the concentric and diversified development strategy with flavours and fragrances sector as the core. Embracing the vision of “leader of a better life” and undertaking the mission of “green, healthy and nutritious”, and steadily propel the Group to develop into a diversified industrial group for taste-based consumer goods by organic growth, mergers and acquisition as well as business model upgrading, digitalization, industry-finance integration and technological innovation as its four driving forces.

In terms of management system, the Group will implement the “Four Transformation” as its core measures, namely, enterprise conceptualisation, management digitalisation, asset securitisation and business globalisation, and work concertedly to promote the optimisation and upgrading of management system. In terms of corporate philosophy, the Group upholds the core values of “Customer first, Value creation, Sharing and Win-win” and the corporate spirit of “Innovation, Pragmatism, Loyalty and Collaboration”. Through strengthening the construction of corporate culture, the Group continuously enhances its internal cohesion and external competitiveness, embeds corporate culture in corporate values and business philosophy, and creates an international first-class corporate image that embodies profound cultural heritage, social responsibility, and the pursuit of green, healthy and nutritious lifestyle for customers and society. In terms of management digitalisation, through the construction of a digitalised management innovation platform and connecting internal and external resources, effective interaction between online and offline resources can be achieved, while efficient business operation can be accelerated through informatisation, and management upgrade of business segments can be promoted. As to asset securitisation, we will assist the quality business to establish financing platform to facilitate their development. For business globalisation, a global R&D and innovation system featuring Huabao’s own strengths and characteristics will be established based on its core technologies, and we will leverage global resources to realise R&D and technological innovation. Through coordinating global aroma and fragrance resources, we will complete a safe and reliable global production capacity layout plan, and the expansion of international footholds will be conducted selectively.

With the continuous improvement of consumers’ health awareness and increasing attention to health care, convenient, delicious and functional products are more favoured by consumers and gradually become the trend in the consumer goods industry. Consumers are concerned about natural ingredients, fat content, clean label and other factors in food. Under this consumption trend, each business segment of the Group will actively formulate strategies to enable products to keep up with the changes in consumption trend.

管理層討論及分析 (續)

展望

2021年下半年，集團將持續堅守以香精香料為核心的同心多元化發展戰略，以「美好生活引領者」為願景，以「綠色、健康、營養」為使命，通過構築商業模式升級、數字化、產融結合、技術創新四大發展引擎，並透過有機增長和兼併收購，穩步推動集團發展成為味覺系消費品多元化實業集團。

在管理體系上，集團將以「四化」為核心舉措，即企業理念化、管理數字化、資產證券化、業務全球化，合力推動管理體系的優化升級。在企業理念化上，集團秉承「客戶至上、價值創造、共享共贏」的核心價值觀，以及「創新、務實、忠誠、協作」的企業精神，通過加強企業文化建設，不斷提升內部凝聚力和外部競爭力，將企業文化植根於企業價值觀和經營理念中，給客戶、社會塑造出具有深厚文化底蘊、有社會責任擔當、關注綠色、健康、營養的國際化一流公司形象；在管理數字化上，通過搭建數字化管理創新平台，對接內外部資源，實現線上線下資源有效互動，通過信息化加快業務高效運行，促進各業務板塊管理升級；在資產證券化上，協助優質的業務建立融資平台，加快這些業務的發展；在業務全球化上，圍繞核心技術建立華寶特色的全球研發創新體系，發揮全球力量，實現研發與技術創新，通過對接全球香精香料資源，完成安全可靠的全球產能佈局規劃，選擇性地做好國際市場佈局。

隨著消費者健康意識的不斷提升以及更加重視保健，便捷、美味、功能性的產品更加受到消費者青睞，並逐漸成為消費品行業的趨勢。消費者關注食品的天然成分、脂肪含量、清潔標籤等因素。在這一消費趨勢下，集團各個業務板塊會積極制定策略，使產品能夠跟上消費趨勢的變化。

Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

For flavours and fragrances, the Group will respond to market trends and strengthen the development, testing and application of HNB flavours technology, enhance its capabilities in the separation and purification of key ingredients, safety research and sensory evaluation, and enrich the relevant product sample bank and database, so as to prepare for the market opportunities of HNB tobacco products in the future. The Group will seize the opportunity of the healthy development trend of the food and beverage industry, improve its R&D capabilities in the fields of functional raw materials and plant-based food, and explore and develop more healthy products together with end customers to bring better experience to consumers.

In respect of tobacco raw materials business, the Group will focus on improving its R&D and manufacturing capabilities in HNB cigarette tobacco leaves and filters, and leverage quality products to develop the business opportunities in the innovative tobacco industry. Specifically, the Group will press on with the construction of the HNB RTL plant in Southeast Asia and strive to commence trial production by the end of the year. The Group will invest more resources to improve its technology and product reserves in the HNB cigarette filters. The signing and gradual implementation of the Regional Comprehensive Economic Partnership will result in closer economic cooperation in Southeast Asia and more convenient market access. The Group will actively develop customers in the region and establish strong cooperation relationship with customers to provide more momentum for the development of tobacco raw materials business, so that this segment will create more value for the Group in the future and become one of the growth points of the Group's performance.

For aroma raw materials, the Group will continue to seize the opportunities arising from the recovery of the global economy to expand customer base and increase sales. The Group will continue to enhance its R&D and manufacturing capabilities in natural aroma raw material products to provide more high-quality aroma raw material products to customers. The Group will also continue to enhance the construction of safety facilities and the training of environmental protection education, so as to ensure the sustainable, stable and healthy development of the aroma raw materials business.

For condiment, the Group will introduce its key products through thematic marketing campaigns. At the same time, more top-notch and healthy seasoning products will be launched, so that consumers can enjoy tasty but more nutritious and healthy food. The Group will work closely with its distributors to do well in their inventory management, and amplify their sales efficiency and capability. The Group will work closely with distributors to assist them in inventory management and sales level, improve the sales efficiency and ability of distributors to achieve a win-win situation with distributors.

香精方面，集團將順應市場趨勢，加強HNB香精技術的開發、測試和應用，提升在關鍵成份分離純化、安全性研究和感官評價方面的能力，豐富相關產品樣品庫和數據庫，為未來HNB煙草產品的市場機遇準備。集團會抓住食品飲料行業向健康方向發展的機遇，提升自身在功能性原料、植物基食品等領域的研發能力，與終端客戶一同探索開發更多健康的產品，為消費者帶來更好的體驗。

煙用原料方面，集團將集中精力，提升HNB捲煙再造煙葉和專用濾咀的研發和生產能力，用高質量的產品開拓新型煙草行業的發展機遇。具體而言，集團將繼續推進東南亞HNB再造煙葉工廠項目的建設工作，並爭取在年底進行試生產。集團會投入更多資源，提升在HNB捲煙專用濾咀方面的技術和產品儲備。隨著《區域全面經濟夥伴關係協定》的簽訂和逐步實施，東南亞地區的經濟合作將更加緊密，市場准入將更加便利。集團將積極開發此地區的客戶，與客戶建立緊密合作關係，為煙用原料業務的發展提供更多動能，讓這個板塊在未來為集團創造更多的價值，成為集團業績的增長點之一。

香原料方面，集團將繼續抓住全球經濟復甦的機會，積極開拓客戶，提升銷售額。集團會不斷提升在天然香原料產品的研發和製造能力，向客戶提供更多高品質的香原料產品。集團還會持續提升在安全設施的建設和環保教育的培訓，讓香原料板塊業務持續、穩定、健康的發展。

調味品方面，集團會繼續通過主題營銷活動，向市場推介主打產品。同時，推出更多高質量和健康的調味產品，讓消費者能夠在享受美味的同時吃的更加營養和健康。集團會與經銷商緊密合作，協助經銷商做好庫存管理，提升經銷商的銷售效率和能力，與經銷商實現雙贏。

Management Discussion and Analysis (cont'd)

Vaccination is still being rolled out in many countries and regions around the world. However, as the virus has been evolving, there is increasing uncertainty as to when the Pandemic will be brought under control. The Group will organise its business and the human resources departments will strengthen the pandemic prevention and control measures, ensuring orderly and stable production and operation activities. The Group will cooperate with its business partners and staff to strive to achieve the Group's operating objectives of the year.

As mentioned in the Company's previous annual report, the Group's management and business teams have been exploring the feasibility of establishing a financing platform for Jiahao so as to enhance its competitive advantage and seize the growth opportunities in the condiment industry. The Group has been further assessing and reviewing the feasibility of establishing the financing platform in specific terms, including the possibility of a spin-off of the Group's condiment business for a separate listing on the Stock Exchange. However, as at the date of this announcement, the Company has not yet made any formal application to the Stock Exchange in respect of the possible spin-off and proposed the listing of the Group's condiment business. The spin-off and the listing of the Group's condiment business on the Main Board of the Stock Exchange are subject to, among other things, the listing approval being granted by the Listing Committee in the future. No final decision has yet been made as to whether the possible spin-off will be launched or as to what the timing of the possible spin-off and the listing of the Group's condiment business would be. The Company wishes to remind shareholders of the Company and potential investors that there is no assurance whether the Company will proceed with the possible spin-off and the listing of the condiment business or not. Further announcements will be made as and when appropriate.

管理層討論及分析 (續)

目前，世界多個國家和地區的疫苗接種工作仍在進行當中。然而，由於病毒不斷變化，疫情何時能夠受到控制的不確定性增大。集團會組織好業務及人力資源部門加強對疫情的防控，保障生產經營活動有序穩定的進行。集團會繼續與業務合作夥伴和員工一起，努力達成集團全年的經營目標。

正如在之前的年度業績報告中所提述，集團管理層和業務團隊研究為嘉豪構建融資平台的可行性，從而提升調味品板塊的競爭優勢並把握在調味品行業的發展機遇。目前，集團已為此作進一步較具體的可行性評估，包括可能將調味品板塊分拆於聯交所獨立上市。雖然如此，截至本公告公佈日期，本公司並沒有向聯交所就調味品板塊可能進行的分拆上市提交任何正式申請。集團調味品板塊能夠在聯交所主板分拆上市與否取決於日後是否能夠得到上市委員會的批准。集團仍未決定調味品板塊進行分拆以及相關時間表。本公司在此提醒本公司股東和潛在投資者，本公司並不保證調味品板塊分拆上市會進行與否。在適當和需要的時候，本公司會發佈公告進行說明。

Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

FINANCIAL REVIEW

財務狀況回顧

Analysis of interim results for the six months ended 30 June 2021

截至2021年6月30日止六個月的中期業績分析

Revenue

營業額

The Group's revenue amounted to RMB1,763,675,000 for the six months ended 30 June 2021, representing an increase of 2.8% as compared with RMB1,715,710,000 for the corresponding period last year. The increase in the revenue was mainly due to the successful prevention and control of the Pandemic in China after the outbreak of the Pandemic in the early 2020, the catering industry began to recover since the second half of 2020. As a result, revenue of condiment segment in the current reporting period reached RMB324,206,000, representing an increase of 82.8% as compared with the corresponding period last year. Also, due to the macroeconomic recovery and rebound in market demand, revenue of aroma raw materials reached RMB320,265,000, representing an increase of 6.0% as compared with the corresponding period last year. However, due to the imbalance between supply and demand in the RTL industry and intense competition in the cigarette capsule industry that resulted in a declining sales price of capsule, revenue of tobacco raw materials declined by 31.2% to RMB208,747,000, which partly offset the increase in revenue.

截至2021年6月30日止六個月，本集團的營業額達到人民幣1,763,675,000元，較去年同期的人民幣1,715,710,000元增加了2.8%。營業額的增加，主要是由於新冠肺炎疫情自2020年年初在全國爆發後，中國成功實現對疫情的防控，餐飲業在2020年下半年開始復甦，以致調味品板塊在報告期內營業額較去年同期大幅上升了82.8%至人民幣324,206,000元；同時，由於宏觀經濟恢復，市場需求反彈，香原料的營業額同比增加了6.0%至人民幣320,265,000元。但由於再造煙葉行業供需不平衡及煙用膠囊行業競爭激烈導致膠囊銷售價格持續下滑，煙用原料的營業額減少了31.2%至人民幣208,747,000元，而抵銷了部份升幅。

Cost of goods sold

銷售成本

The Group's cost of goods sold amounted to RMB709,694,000 for the six months ended 30 June 2021, representing an increase of 13.2% as compared with RMB627,010,000 for the corresponding period last year.

截至2021年6月30日止六個月，本集團的銷售成本為人民幣709,694,000元，較去年同期的人民幣627,010,000元增加了13.2%。

Gross profit and gross profit margin

毛利和毛利率

The Group's gross profit decreased from RMB1,088,700,000 for the six months ended 30 June 2020 to RMB1,053,981,000 for the six months ended 30 June 2021, representing a decrease of approximately 3.2%. The decrease in gross profit was mainly attributable to the decrease in gross profit margin of the current reporting period. The Group's gross profit margin for the current reporting period was approximately 59.8%, representing a decrease of approximately 3.7 percentage points as compared with 63.5% for the same period last year. It was mainly attributable to the changes in products' mix of the Group and the adjustments of selling price of products in response to the fierce competition in the market.

本集團的毛利由截至2020年6月30日止六個月的人民幣1,088,700,000元下降至截至2021年6月30日止六個月的人民幣1,053,981,000元，減少約3.2%。毛利的下跌，主要由於本報告期間毛利率有所下降。本集團本報告期的毛利率約為59.8%，比去年同期的63.5%下降了約3.7個百分點，主要因為本集團產品結構有所變化及調整產品價格以面對激烈的市場競爭環境所致。

Management Discussion and Analysis (cont'd)

Other income and other gains – net

Other income and other gains (net) of the Group was RMB222,074,000 for the six months ended 30 June 2021, representing an increase of RMB72,139,000 as compared with RMB149,935,000 for the corresponding period last year. The increase in other income and other gains was mainly due to the fair values gain on financial assets at fair value through profit or loss reached approximately RMB100,845,000 in the current period, representing an increase of RMB99,535,000 as compared with RMB1,310,000 of the corresponding period last year. However, it was partly offset by the currency exchange loss. The currency exchange loss of RMB10,597,000 was recorded in the current period while currency exchange gain of RMB41,205,000 was recorded in the corresponding period last year. The currency exchange loss for the current period was mainly due to the Group's long-term loan (balance as at 30 June 2021: RMB983,930,000) was borrowed and settled by the Company in RMB, whereas the functional currency of the Company was HKD. The exchange rate of RMB against Hong Kong dollar rose during the current reporting period, thus currency exchange loss was incurred.

Selling and marketing expenses

The selling and marketing expenses of the Group comprised mainly travelling expenses, advertising and promotion expenses, salaries and office expenses, etc. The selling and marketing expenses of the Group for the six months ended 30 June 2021 was RMB135,821,000, representing a decrease of 15.8% as compared with RMB161,248,000 for the corresponding period last year. Selling and marketing expenses for the current reporting period accounted for approximately 7.7% of the total revenue, representing a decrease of 1.7 percentage points as compared with approximately 9.4% for the six months ended 30 June 2020. The decrease in such ratio and the decrease in the selling and marketing expenses were mainly attributable to the Group's proactive control of expenses and the delivery expenses of goods being accounted for in the cost of goods sold.

Administrative expenses

The Group's administrative expenses amounted to RMB404,789,000 for the six months ended 30 June 2021, representing an increase of 3.5% as compared with RMB390,920,000 for the corresponding period last year. It was mainly attributable to the increase in employee benefit expenses during the current reporting period. Administrative expenses for the current reporting period accounted for approximately 23.0% of the total revenue, which was basically the same as approximately 22.8% for the six months ended 30 June 2020.

管理層討論及分析 (續)

其他收入及其他收益－淨額

截至2021年6月30日止六個月，本集團的其他收入及其他收益(淨額)為人民幣222,074,000元，較去年同期的人民幣149,935,000元增加了人民幣72,139,000元。其他收入及其他收益的增加主要是由於本期錄得以公允價值計量且其變動計入損益之金融資產公允價值變動收益約人民幣100,845,000元，比去年同期的人民幣1,310,000元增加了人民幣99,535,000元，但是被貨幣匯兌虧損抵銷了部份升幅。本期貨幣匯兌虧損為人民幣10,597,000元，而去年同期為貨幣匯兌收益人民幣41,205,000元。本期間的貨幣匯兌虧損主要因為本集團的長期貸款(於2021年6月30日結餘：人民幣983,930,000元)是由本公司借入並以人民幣結算，而本公司的功能貨幣是港元，在本報告期間人民幣對港元匯價上升，故產生匯兌虧損。

銷售及市場推廣開支

本集團銷售及市場推廣開支主要包括差旅費、廣告及宣傳費、薪金及辦公費用等。本集團截至2021年6月30日止六個月的銷售及市場推廣開支為人民幣135,821,000元，較去年同期的人民幣161,248,000元下跌了15.8%。而本報告期的銷售及市場推廣開支所佔營業總額的比例為約7.7%，較截至2020年6月30日止六個月的約9.4%下降了約1.7個百分點。該比例和銷售及市場推廣開支的下降主要是因為本報告期間本集團積極控制費用和運輸費用調整至銷售成本核算所致。

行政開支

本集團的行政開支在截至2021年6月30日止六個月為人民幣404,789,000元，與去年同期的人民幣390,920,000元上升了3.5%，主要因為本報告期僱員及福利開支有所增加。而本報告期的行政開支所佔營業總額的比例為約23.0%，與截至2020年6月30日止六個月的約22.8%基本持平。

Management Discussion and Analysis (cont'd)

Operating profit

The Group's operating profit for the six months ended 30 June 2021 was RMB733,573,000, representing an increase of approximately 294.9% as compared with RMB185,778,000 for the six months ended 30 June 2020. It was mainly because there was Jiahao's Goodwill Impairment of RMB495,498,000 recognised in the same period last year whereas no such loss was recorded in the current period. If Jiahao's Goodwill Impairment of the same period last year were excluded, the operating profit for the current reporting period would increase by 7.7% as compared with the corresponding period last year; the operating profit margin for the current period was approximately 41.6%, representing an increase of 1.9 percentage points as compared with approximately 39.7% for the corresponding period last year, which was mainly due to an increase in other income and other gains (net) for the current reporting period as compared with the same period last year, but it was partly offset by the decrease in gross profit.

Profit before income tax

Profit before income tax of the Group for the six months ended 30 June 2021 amounted to RMB753,364,000, increased by RMB550,018,000 as compared with RMB203,346,000 for the six months ended 30 June 2020. If Jiahao's Goodwill Impairment of the same period last year were excluded, the profit before income tax for the current reporting period would increase by RMB54,520,000, representing an increase of 7.8% as compared with the corresponding period last year, which was mainly due to the increase in operating profit.

Income tax expenses

The income tax expenses of the Group for the six months ended 30 June 2021 was RMB171,899,000, representing an increase of 25.3% as compared with RMB137,154,000 for the six months ended 30 June 2020. Income tax rate of the current reporting period was approximately 22.8%. If Jiahao's Goodwill Impairment of the same period last year were excluded, income tax rate of the current reporting period would increase by approximately 3.2 percentage points as compared with approximately 19.6% for the six months ended 30 June 2020, which was mainly attributable to the increase in withholding income tax on dividends distribution by subsidiaries in mainland in the current reporting period.

管理層討論及分析 (續)

營運盈利

本集團的營運盈利在截至2021年6月30日止六個月為人民幣733,573,000元，較截至2020年6月30日止六個月的人民幣185,778,000元，增加了約294.9%，主要因為去年同期確認了嘉豪商譽減值人民幣495,498,000元而本期沒有。如果撇除了去年同期的嘉豪商譽減值的影響，本報告期的營運盈利比去年同期上升了7.7%；本期的營運盈利率約41.6%，比去年同期的約39.7%上升了1.9個百分點，主要因為本報告期的其他收入及其他收益(淨額)同比增加，但被毛利的下跌抵銷了部份升幅。

除稅前盈利

截至2021年6月30日止六個月，本集團的除稅前盈利達人民幣753,364,000元，較截至2020年6月30日止六個月的人民幣203,346,000元，增加了人民幣550,018,000元。如果撇除了去年同期的嘉豪商譽減值的影響，本報告期的除稅前盈利比去年同期增加了人民幣54,520,000元，增加了7.8%，主要是因為營運盈利的上升。

稅務開支

本集團的稅務開支在截至2021年6月30日止六個月為人民幣171,899,000元，較截至2020年6月30日止六個月的人民幣137,154,000元，增加了25.3%。本期所得稅率約為22.8%。如果撇除了去年同期的嘉豪商譽減值的影響，本期所得稅稅率較截至2020年6月30日止六個月的約19.6%上升了約3.2個百分點，主要由於本報告期國內附屬公司因分派股息而產生的預提所得稅有所增加。

Management Discussion and Analysis (cont'd)

Profit attributable to the equity holders of the Company

The profit attributable to the equity holders of the Company for the six months ended 30 June 2021 was RMB481,129,000, representing an increase of RMB526,563,000 as compared with the loss attributable to the equity holders of the Company of RMB45,434,000 in the same period last year. It was mainly because there was Jiahao's Goodwill Impairment of RMB495,498,000 recognised in the same period last year whereas no such loss was recorded in the current period. If Jiahao's Goodwill Impairment of the same period last year were excluded, profit attributable to the equity holders of the Company for the current period would increase by approximately 6.9% as compared with the same period last year.

Net current asset value and financial resources

As at 30 June 2021, the net current asset value of the Group was RMB6,015,094,000 (31 December 2020: RMB7,145,001,000). The Group generates its working capital mainly through its operating activities to maintain a sound financial position. As at 30 June 2021, the Group's cash and bank balances amounted to RMB3,946,500,000 (31 December 2020: RMB6,335,596,000). In addition, the Group held bank wealth management products amounted to RMB1,969,078,000 (31 December 2020: RMB540,492,000) which was classified as financial assets at fair value through profit or loss.

Bank borrowings and gearing ratio

As at 30 June 2021, the Group had bank borrowings of RMB1,855,217,000 (31 December 2020: RMB2,708,230,000), all of which were unsecured loans and due within one to two years. The Group had secured loan of RMB1,692,855,000 as at 31 December 2020 which had been fully repaid during the six months ended 30 June 2021. For the current reporting period, the average annual interest rate of the secured loan was 5.7% (six months ended 30 June 2020: 5.7%), and the average annual interest rate of the unsecured loans were 2.2% (six months ended 30 June 2020: 3.0%). As at 30 June 2021, the Group's gearing ratio (total borrowings, include current and non-current borrowings, divided by total equity (excludes non-controlling interests)) was 15.3%, which was decreased significantly by 7.5 percentage points from 22.8% as of 31 December 2020.

管理層討論及分析 (續)

本公司權益持有人應佔盈利

本公司權益持有人應佔盈利在截至2021年6月30日止六個月為人民幣481,129,000元，較去年同期本公司權益持有人應佔虧損的人民幣45,434,000元，上升了人民幣526,563,000元，主要因為去年同期確認了嘉豪商譽減值人民幣495,498,000元而本期間沒有。如果撇除了去年同期的嘉豪商譽減值的影響，本期間本公司權益持有人應佔盈利較去年同期上升了約6.9%。

流動資產淨值和財務資源

於2021年6月30日，本集團的流動資產淨值為人民幣6,015,094,000元（2020年12月31日：人民幣7,145,001,000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2021年6月30日，本集團的銀行及庫存現金為人民幣3,946,500,000元（2020年12月31日：人民幣6,335,596,000元）。此外，本集團持有之銀行財富管理產品之公允值為人民幣1,969,078,000元（2020年12月31日：人民幣540,492,000元），此項以公允價值計量且其變動計入損益之金融資產列示。

銀行貸款及負債比率

於2021年6月30日，本集團的銀行貸款總額為人民幣1,855,217,000元（2020年12月31日：人民幣2,708,230,000元），全部為無抵押貸款，並於一至兩年內到期償還。本集團於2020年12月31日的有抵押貸款為人民幣1,692,855,000元，已於截至2021年6月30日止六個月期間全數償還。於本報告期內，有抵押貸款之平均年息率為5.7厘（截至2020年6月30日止六個月：5.7厘），而無抵押貸款的平均年息率為2.2厘（截至2020年6月30日止六個月：3.0厘）。於2021年6月30日，本集團之負債比率（總貸款（包括流動及非流動貸款）除以總權益，不含非控制性權益）為15.3%，較於2020年12月31日的22.8%大幅下降了7.5個百分點。

Management Discussion and Analysis (cont'd)

Trade receivables turnover period

Trade receivables turnover period is calculated on the basis of the average amount of trade receivables as at the beginning and at the end of a relevant financial period divided by the total revenue for the corresponding period and multiplied by 180 days. The Group generally offers its customers a credit period of approximately 0-180 days, depending on the business volume of, and the length of business relationship with the customers. For the six months ended 30 June 2021, the Group's average trade receivables turnover period was 94 days, representing an increase of 3 days as compared with 91 days for the last financial year ended 31 December 2020, while representing a decrease of 5 days as compared with 99 days of the corresponding period last year. The ratio basically remained stable.

Trade payables turnover period

Trade payables turnover period is calculated on the basis of the average amount of trade payables as at the beginning and at the end of a relevant financial period divided by the cost of goods sold for the corresponding period and multiplied by 180 days. Credit periods granted by suppliers to the Group ranged from 0-180 days. For the six months ended 30 June 2021, the Group's average trade payables turnover period was 66 days, representing a decrease of 7 days as compared with 73 days for the last financial year ended 31 December 2020.

Inventory and inventory turnover period

As at 30 June 2021, the Group's inventory balance amounted to RMB918,736,000, representing an increase of RMB63,990,000 as compared with the balance of RMB854,746,000 as at 31 December 2020. For the six months ended 30 June 2021, the Group's inventory turnover period (calculated on the basis of the average amount of inventory balances as at the beginning and at the end of a relevant financial period divided by the total cost of goods sold for the corresponding period and multiplied by 180 days) was 225 days, which basically remained the same as 228 days for the last financial year ended 31 December 2020.

Foreign exchange and exchange rate risk

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

管理層討論及分析 (續)

應收賬周轉期

應收賬周轉期乃通過將有關財政年度期初及期末經扣除撥備的應收貿易賬款平均金額除以相應期間的營業總額再乘以180天計算。本集團一般給予客戶約0至180日的信貸期，根據客戶業務量的大小和業務關係時間長短而定。截至2021年6月30日止六個月，本集團的平均應收賬周轉期為94日，比較截至2020年12月31日止上一財政年度的91日稍微上升了3日，而比去年同期的99日下降了5天，指標維持穩定。

應付賬周轉期

應付賬周轉期乃通過將有關財政年度期初及期末的應付貿易賬款平均金額除以相應期間的銷售成本再乘以180天計算。供應商給予本集團的信貸期介乎0至180日。截至2021年6月30日止六個月，本集團的平均應付賬周轉期為66日，比截至2020年12月31日止上一財政年度的73日下降了7天。

存貨和存貨周轉期

本集團的存貨結餘於2021年6月30日為人民幣918,736,000元，比2020年12月31日的人民幣854,746,000元，上升了人民幣63,990,000元。在截至2021年6月30日止六個月，本集團的存貨周轉期（將有關財政年度期初及期末的存貨平均結餘除以相應期間的銷售成本總額再乘以180天計算）為225日，與截至2020年12月31日止上一財政年度的228日基本持平。

外匯及匯率風險

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

Management Discussion and Analysis (cont'd)

Pledge of assets

During the six months ended 30 June 2021, the Group's equity interest in Guangdong Jiahao Foodstuff Co., Ltd. and its land and buildings in Zhongshan China used as collateral for the secured bank loan had been released. Also, the secured bank loan was fully repaid by the Group as at 30 June 2021 and the related pledged equity interest in Jiahao Foodstuff Limited was formally released in July 2021. Apart from the above-mentioned, the Group had no pledged assets as at 30 June 2021.

Capital Commitments

As at 30 June 2021, the Group had capital commitments in respect of the purchase of property, plant, equipment, intangible assets, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, contracted for but not provided in the financial statements amounted to approximately RMB319,197,000 (31 December 2020: RMB177,040,000).

Contingent liabilities

According to the information available to the Board, the Group had no contingent liabilities as at 30 June 2021.

管理層討論及分析 (續)

資產抵押

在截至2021年6月30日止六個月期間，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本集團有抵押貸款之抵押已經被解除。同時，本集團於2021年6月30日已經全數償還有抵押貸款，而有關的嘉豪食品有限公司的股權質押也於2021年7月正式被解除。除此以外，本集團於2021年6月30日沒有其他被抵押的資產。

資本承擔

於2021年6月30日，本集團就已訂約購買的物業、廠房、設備、無形資產、以公允價值計量且其變動計入其他全面收益之金融資產及以公允價值計量且其變動計入損益之金融資產之投資但並未於財務報表撥備的資本承擔約人民幣319,197,000元（2020年12月31日：人民幣177,040,000元）。

或然負債

根據可供董事會查閱的資料，本集團於2021年6月30日並無任何重大的或然負債。

Other Information

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2021, the interests and short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives are taken or deemed to have under such provisions of the SFO) or which are required to be and are recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long position in ordinary shares of the Company

Name of Director(s)	Capacity	Number of issued Shares held	Percentage of the issued share capital
董事姓名	身份	持有已發行股份數目	佔已發行股本百分比
CHU Lam Yiu 朱林瑤	Held through controlled corporations ^(Note) 透過受控制公司持有 ^(附註)	2,293,408,900	73.79%

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

Save as disclosed above, as at 30 June 2021, the Company is not aware of any of the Directors or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its subsidiaries or associated companies as defined in the SFO.

其他資料

董事於股份、相關股份及債券之權益

於2021年6月30日，董事及最高行政人員於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例之條文董事及最高行政人員被當作或視作為擁有的權益及淡倉）；或本公司根據證券及期貨條例第352條規定所存置之登記冊所記錄之權益及淡倉；或擁有根據標準守則規定而須知會本公司及聯交所之權益及淡倉如下：

本公司之普通股好倉

Number of issued Shares held	Percentage of the issued share capital
持有已發行股份數目	佔已發行股本百分比
2,293,408,900	73.79%

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

除上文所披露者外，於2021年6月30日，本公司並不知悉有任何董事或彼等之緊密聯繫人於本公司或其任何附屬公司或相聯法團（定義見證券及期貨條例）之任何股份、相關股份或債券中擁有任何權益或淡倉。

Other Information (cont'd)

SHARE OPTION SCHEME

Pursuant to a share option scheme (the "Share Option Scheme") adopted on 9 August 2016 ("Adoption Date"), the Share Option Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date (can be terminated before expiration). The Company did not grant any share options under the Share Option Scheme during the Reporting Period. As at 30 June 2021, there were no outstanding share options granted by the Company under the Share Option Scheme and during the Reporting Period, there were no share options exercised, cancelled or lapsed under the Share Option Scheme.

SHARE INCENTIVE SCHEME – GUANGDONG JIAHAO SHARE INCENTIVE SCHEME

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

For the purpose of this Share Incentive Scheme, four limited partnerships have been established, namely Yingtan Xiangshan Corporate Advisory Centre (Limited Partnership) (鷹潭香山企業諮詢中心(有限合夥)), Yingtan Zhonghao Corporate Advisory Centre (Limited Partnership) (鷹潭中豪企業諮詢中心(有限合夥)), Yingtan Guanghao Corporate Advisory Centre (Limited Partnership) (鷹潭廣豪企業諮詢中心(有限合夥)) and Yingtan Huajia Corporate Advisory Centre (Limited Partnership) (鷹潭華嘉企業諮詢中心(有限合夥)), through which the participants indirectly hold 1.98% equity interests in Guangdong Jiahao and the relevant awards have vested in the limited partnership shareholding platforms.

There were in total 80 participants under the Share Incentive Scheme, including directors and senior management of Guangdong Jiahao. The chairman of Guangdong Jiahao, XIA Liqun, who is also a director of the Company and one of the participants.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than disclosed in Note 12 to the condensed consolidated interim financial information, at no time during the Reporting Period was the Company, its ultimate holding companies or any of its subsidiaries a party to any arrangements would enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

其他資料 (續)

購股權計劃

根據本公司於2016年8月9日(「採納日期」)採納的一項購股權計劃(「購股權計劃」)，購股權計劃自採納日期起十年內有效(可提前終止)。本公司於報告期內並無根據購股權計劃授出任何購股權。於2021年6月30日，本公司無任何根據購股權計劃授出而未被行使的購股權。於報告期內亦無任何根據購股權計劃行使、註銷或失效的購股權。

股權激勵計劃—廣東嘉豪股權激勵計劃

於2020年10月15日，廣東嘉豪(一家本公司間接持有之非全資附屬公司)，通過了董事書面決議案，批准、採納並執行一項股權激勵計劃(「股權激勵計劃」)。其中，合資格參與者將有權參與。股權激勵計劃不受上市規則第十七章的規定所規限。

為本次股權激勵計劃之目的，設有鷹潭香山企業諮詢中心(有限合夥)、鷹潭中豪企業諮詢中心(有限合夥)、鷹潭廣豪企業諮詢中心(有限合夥)、鷹潭華嘉企業諮詢中心(有限合夥)四個有限合夥企業，激勵對象通過前述有限合夥企業間接持有廣東嘉豪的1.98%股權，有關獎勵已歸屬到有限合夥持股平台。

本次股權激勵計劃下的激勵對象共有80人，包括廣東嘉豪董事及高管；其中包括其董事長夏利群(彼亦為本公司董事)。

董事認購股份或債券之權利

除於簡明綜合中期財務資料附註12所披露者外，本公司、其最終控股公司或其任何附屬公司於報告期內任何時間均無參與任何安排，致使本公司之董事可藉收購本公司或任何其他法團之股份或債券而獲益。

Other Information (cont'd)

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

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

DISCLOSURE UNDER RULE 13.21 OF THE LISTING RULES

On 17 August 2018, the Company entered into a facility agreement with a PRC bank (the “Lender”) for a loan of approximately RMB2,888 million for a term of five years (the “Previous Loan Facility”). Pursuant to the facility agreement, Ms. CHU Lam Yiu (“Ms. CHU”), the ultimate beneficial controlling shareholder of the Company, has undertaken to the Lender that she shall, directly or indirectly, maintain her controlling stake in the Company throughout the life of the Previous 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 Previous Loan Facility from the Company.

As disclosed in the announcement of the Company dated 15 June 2021, the Company entered into a new facility agreement with another PRC bank (the “New Lender”) for a loan of approximately RMB984 million for a term of 24 months (“New Loan Facility”) commencing on 25 June 2021 for purpose of settling the outstanding balance of the Previous Loan Facility. All amount outstanding under the Previous Loan Facility were fully repaid by the end of the Reporting Period. Pursuant to the new facility agreement, Ms. CHU is required to maintain her controlling stake in the Company and shall not conduct any divestment throughout the term of the New Loan Facility. Breach of such term will constitute an event of default which entitles the New Lender to, among other things, demand immediate payment and/or repayment of all amount outstanding under the New Loan Facility from the Company.

其他資料 (續)

主要股東之權益

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

根據上市規則第13.21條作出披露

於2018年8月17日，本公司與一家中國的銀行（「貸款人」）執行一項為期五年的融資協議，金額約人民幣28.88億元（「前貸款融資」）。根據融資協議，本公司的最終實益控股股東朱林瑤女士（「朱女士」）向貸款人承諾於前貸款融資整個期限內直接或間接維持彼於本公司的控股權。違反此承諾將構成違約事項，使貸款人有權，其中包括，要求本公司立即支付及／或償還前貸款融資下之所有未償還餘額。

誠如本公司日期為2021年6月15日的公告所披露，本公司與另一家中國的銀行（「新貸款人」）執行一項由2021年6月25日起，為期24個月的新融資協議，金額約人民幣9.84億元（「新貸款融資」），用於償還前貸款融資的貸款餘額。前貸款融資項下的所有未償還餘額均已於報告期末前悉數償還。根據新融資協議，朱女士須於新貸款融資整個期限內保持彼於本公司的控股地位，不得撤資。違反此條款將構成違約事項，使新貸款人有權，其中包括，要求本公司立即支付及／或償還新貸款融資下之所有未償還餘額。

Other Information (cont'd)

CORPORATE GOVERNANCE

Compliance with the Corporate Governance Code

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

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

Throughout the Reporting Period, the Company had complied with the code provisions in the CG Code and, where appropriate, adopted the recommended best practice as set out in the CG Code, 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 since 9 April 2013. As the Board meets regularly to consider the matters relating to business operations of the Group, the Board is of the view that the above arrangement will not impair the balance of power and authority of the Board and the executive management. The effectiveness of corporate planning and implementation of corporate strategies and decisions will generally not be affected.

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

其他資料 (續)

企業管治

遵守《企業管治守則》

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

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

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

守則條文第A.2.1條規定，主席與行政總裁的角色應有區分，且不應由一人同時兼任。儘管本公司董事會主席兼執行董事朱林瑤女士自2013年4月9日起兼任首席執行官職務，惟董事會定期舉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削弱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。

Other Information (cont'd)

Environmental, Social and Governance Reporting

The Environmental, Social and Governance (“ESG”) Report which contains our ESG information for 2020 and the requirements under the ESG Reporting Guidelines of the Listing Rules had been published by the Company on websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.huabao.com.hk).

Changes in Information in respect of Directors

In accordance with Rule 13.51B(1) of the Listing Rules, the changes to information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) between 19 March 2021 (being the date of approval of the Company’s 2020 Annual Report) and 20 August 2021 (being the date of approval of this report) are set out below:

1. Mr. LAM Ka Yu was appointed as Co-Chairman of the Board with effect from 1 June 2021.

Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code as the code of conduct regarding dealing in the securities of the Company by the Directors. Having made specific enquiries of all Directors, the Company has received their written confirmations that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2021.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK6.4 cents per Share in cash for the six months ended 30 June 2021 (six months ended 30 June 2020: no interim dividend and special dividend of HK6.0 cents per Share), which is expected to be paid on or about 8 October 2021 to Shareholders whose names appear on the register of members of the Company on 17 September 2021.

CLOSE OF REGISTER OF MEMBERS

In order to determine Shareholders who qualify for the interim dividend, the register of members of the Company will be closed from 15 September 2021 to 17 September 2021, both days inclusive, during which no transfer of shares will be effected. All properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on 14 September 2021.

其他資料 (續)

環境、社會及管治報告

本公司之環境、社會及管治(「環境、社會及管治」)報告已於聯交所網站(www.hkexnews.hk)及公司網站(www.huabao.com.hk)刊登，當中載列我們於2020年度在環境、社會及管治方面的資料，並已遵照上市規則有關環境、社會及管治指引的要求。

董事資料更新

根據上市規則第13.51B(1)條，按照第13.51(2)條(a)至(e)和(g)段要求，於2021年3月19日(為通過本公司2020年之年度報告當日)至2021年8月20日(為通過本報告當日)期間，本公司的董事資料變動載列如下：

1. 林嘉宇先生獲委任為董事會聯席主席，自2021年6月1日起生效。

上市發行人董事進行證券交易的標準守則

本公司已採納標準守則，作為本公司董事進行本公司證券交易的操守準則。經向全體董事作出特定查詢後，本公司已收到全體董事書面確認彼等於截至2021年6月30日止六個月內已遵守標準守則所規定之標準。

中期股息

董事會決議向於2021年9月17日名列本公司股東名冊之股東宣派截至2021年6月30日止六個月之現金中期股息每股港幣6.4仙(截至2020年6月30日止六個月：無中期股息而特別股息每股港幣6.0仙)。預期中期股息約於2021年10月8日或前後派發。

暫停辦理股份過戶登記手續

為確保股東有資格獲派中期股息，本公司將由2021年9月15日至2021年9月17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2021年9月14日下午4時30分前送達本公司的香港股份過戶登記分處卓佳登捷時有限公司，地址為香港皇后大道東183號合和中心54樓。

Other Information (cont'd)

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

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLIC FLOAT

Based on the information that was publicly available and to the best belief and knowledge of the Directors, the Company had maintained the prescribed public float throughout the six months ended 30 June 2021 and up to the date of this report as required under the Listing Rules.

AUDIT COMMITTEE

The Board has formed an Audit Committee in accordance with the Listing Rules to fulfill the functions of reviewing and monitoring the financial reporting procedure and internal control of the Company. The Audit Committee members currently comprise all of the INEDs of the Company, namely Mr. LEE Luk Shiu (the Chairman of Audit Committee), Ms. MA Yunyan, Mr. WU Chi Keung and Mr. Jonathan Jun YAN. The Audit Committee and the Board have reviewed and approved the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2021. The Group's unaudited condensed consolidated interim financial information has been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

By Order of the Board
CHU Lam Yiu
 Chairlady and CEO

Hong Kong, 20 August 2021

其他資料 (續)

購買、出售或贖回本公司之上市證券

於截至2021年6月30日止六個月期間內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

公眾持股量

根據可供公眾查閱之資料以及據董事所知和所信，於截至2021年6月30日止六個月內及截至本報告日，本公司已維持上市規則所規定之公眾持股量。

審核委員會

董事會已根據上市規則成立了審核委員會，以履行檢討及監察本公司財務匯報程序及內部監控之職責。審核委員會委員由本公司所有獨立非執行董事，即李祿兆先生（為審核委員會主席）、麻雲燕女士、胡志強先生及Jonathan Jun YAN先生組成。審核委員會連同董事會已審閱並批准本集團截至2021年6月30日止六個月之未經審核簡明綜合中期財務資料。本集團未經審核之中期簡明綜合財務資料已經由本公司之核數師羅兵咸永道會計師事務所按照HKICPA頒佈之審閱準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。

承董事會命
朱林瑤
 主席兼首席執行官

香港，2021年8月20日

Review Report

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

(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 33 to 78 which comprises the condensed consolidated statement of financial position of Huabao International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2021 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

審閱報告

中期財務資料的審閱報告 致華寶國際控股有限公司董事會

(於百慕達註冊成立的有限公司)

引言

本核數師(以下簡稱「我們」)已審閱列載於第33至78頁的中期財務資料,此中期財務資料包括華寶國際控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)於2021年6月30日的簡明綜合財務狀況表與截至該日止六個月期間的相關簡明綜合收益表、簡明綜合全面收益表、簡明綜合權益變動表和簡明綜合現金流量表,以及主要會計政策概要和其他附註解釋。香港聯合交易所有限公司證券上市規則規定,就中期財務資料編製的報告必須符合以上規則的有關條文以及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」。貴公司董事須負責根據香港會計準則第34號「中期財務報告」擬備及列報該等中期財務資料。我們的責任是根據我們的審閱對該等中期財務資料作出結論,並僅按照我們協定的業務約定條款向閣下(作為整體)報告我們的結論,除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

審閱範圍

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

Review Report (cont'd)

CONCLUSION

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 20 August 2021

審閱報告 (續)

結論

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

羅兵咸永道會計師事務所
執業會計師

香港，二零二一年八月二十日

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Note	As at 30 June 2021 於2021年 6月30日 Unaudited 未經審核	As at 31 December 2020 於2020年 12月31日 Audited 經審核
		附註		
Assets	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	7	1,471,535	1,388,257
Right-of-use assets	使用權資產		246,009	240,902
Intangible assets	無形資產	7	6,184,435	6,226,362
Investments in associates	於聯營公司之投資	8	378,222	374,761
Investment in a jointly controlled entity	於共同控制實體之投資		6,835	7,410
Financial assets at fair value through other comprehensive income	以公允價值計量且其變動計入其他全面收益之金融資產	5	72,196	55,072
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益之金融資產	5	227,441	112,614
Deferred income tax assets	遞延所得稅資產	9	155,004	160,447
Other non-current assets	其他非流動資產		350	581
			8,742,027	8,566,406
Current assets	流動資產			
Inventories	存貨		918,736	854,746
Trade and other receivables	貿易及其他應收款項	10	1,165,751	1,351,750
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益之金融資產	5	2,012,266	569,556
Short-term time deposits	短期定期存款		56,300	1,413,840
Cash and cash equivalents	現金及現金等價物		3,890,200	4,921,756
			8,043,253	9,111,648
Total assets	總資產		16,785,280	17,678,054

Condensed Consolidated Statement of Financial Position (cont'd)

簡明綜合財務狀況表(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Note 附註	As at 30 June 2021 於2021年 6月30日 Unaudited 未經審核	As at 31 December 2020 於2020年 12月31日 Audited 經審核
Equity	權益			
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔股本及儲備			
Share capital	股本	11	318,636	318,636
Reserves	儲備	13	2,644,023	2,633,732
Retained earnings	保留福利		9,169,654	8,918,688
			12,132,313	11,871,056
Non-controlling interests	非控制性權益		1,722,534	1,823,193
Total equity	總權益		13,854,847	13,694,249
Liabilities	負債			
Non-current liabilities	非流動負債			
Borrowings	貸款	14	688,751	1,806,477
Lease liabilities	租賃負債		43,748	39,345
Deferred income tax liabilities	遞延所得稅負債	9	168,975	170,536
Trade and other payables	貿易及其他應付款項	15	800	800
			902,274	2,017,158
Current liabilities	流動負債			
Borrowings	貸款	14	1,166,466	901,753
Lease liabilities	租賃負債		25,543	24,526
Trade and other payables	貿易及其他應付款項	15	548,914	648,744
Current income tax liabilities	當期所得稅負債		168,010	208,923
Contract liabilities	合同負債		119,226	182,701
			2,028,159	1,966,647
Total liabilities	總負債		2,930,433	3,983,805
Total equity and liabilities	總權益及負債		16,785,280	17,678,054

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

上述簡明綜合財務狀況表應與相應附註一併閱讀。

Condensed Consolidated Income Statement

簡明綜合收益表

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Unaudited 未經審核		
		For the six months ended		
		30 June		
		截至6月30日止六個月		
		Note 附註	2021 2021年	2020 2020年
Revenue	營業額	6	1,763,675	1,715,710
Cost of goods sold	銷售成本		(709,694)	(627,010)
Gross profit	毛利		1,053,981	1,088,700
Other income and other gains – net	其他收入及其他收益－淨額	16	222,074	149,935
Selling and marketing expenses	銷售及市場推廣開支		(135,821)	(161,248)
Administrative expenses	行政費用		(404,789)	(390,920)
Impairment of goodwill	商譽減值	7	–	(495,498)
Net impairment losses on financial assets	金融資產減值損失淨額		(1,872)	(5,191)
Operating profit	營運盈利		733,573	185,778
Finance income	財務收入		65,483	82,158
Finance costs	融資成本		(49,628)	(79,480)
Finance income – net	財務收入－淨額		15,855	2,678
Share of results of associates and a jointly controlled entity	應佔聯營公司及共同控制實體之業績		3,936	14,890
Profit before income tax	除稅前盈利		753,364	203,346
Income tax expense	所得稅	18	(171,899)	(137,154)
Profit for the period	本期間盈利		581,465	66,192
Attributable to:	應佔：			
Equity holders of the Company	本公司權益持有人		481,129	(45,434)
Non-controlling interests	非控制性權益		100,336	111,626
			581,465	66,192
Earnings/(loss) per share for profit attributable to the Company's equity holders for the period	本期間本公司權益持有人應佔的每股盈利／(虧損)		RMB cents 人民幣分	RMB cents 人民幣分
Basic and diluted	基本及攤薄	19	15.48	(1.46)

The above condensed consolidated income statement should be read in conjunction with the accompanying notes. 上述簡明綜合收益表應與相應附註一併閱讀。

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Unaudited 未經審核	
		For the six months ended 30 June	
		截至6月30日止六個月	
		2021 2021年	2020 2020年
Profit for the period	本期間盈利	581,465	66,192
Other comprehensive income:	其他全面收益：		
<i>Items that will not be reclassified to profit or loss</i>	不可重新分類至損益的項目		
Fair value changes of equity investments at fair value through other comprehensive income, net of tax	以公允價值計量且其變動計入其他全面收益之權益投資之除稅後公允價值變動	(195)	(1,669)
Currency translation differences of the Company and its non-foreign operations	本公司及其非海外業務之貨幣換算差額	(732)	(37,981)
<i>Items that may be reclassified to profit or loss</i>	可重新分類至損益的項目		
Currency translation differences of foreign operations	海外業務之貨幣換算差額	3,887	(1,603)
Other comprehensive income/(loss) for the period, net of tax	本期間除稅後其他全面收益／(虧損)	2,960	(41,253)
Total comprehensive income for the period, net of tax	本期間除稅後全面收益總額	584,425	24,939
Total comprehensive income/(loss) attributable to:	應佔全面收益／(虧損)總額：		
Equity holders of the Company	本公司權益持有人	487,732	(86,678)
Non-controlling interests	非控制性權益	96,693	111,617
		584,425	24,939

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

上述簡明綜合收益表應與相應附註一併閱讀。

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Unaudited 未經審核					
		Attributable to equity holders of the Company 本公司權益持有人應佔					
		Share Capital	Reserves	Retained earnings	Total	Non- Controlling interests 非控制性 權益	Total equity 總權益
		股本	儲備	保留盈利	總計		
Balance at 1 January 2020	於2020年1月1日	318,636	2,540,529	8,969,048	11,828,213	1,771,260	13,599,473
Total comprehensive (loss)/income for the six months ended 30 June 2020	截至2020年6月30日止六個月的全面(虧損)/收益總額	-	(41,244)	(45,434)	(86,678)	111,617	24,939
Transactions with owners in their capacity as owners:	與本公司擁有人的交易：						
Dividends payable to non-controlling interests	向非控制性權益宣派的股息	-	-	-	-	(9,186)	(9,186)
Dividends paid to non-controlling interests	向非控制性權益支付的股息	-	-	-	-	(237,233)	(237,233)
Final dividends for the year ended 31 December 2019 paid to shareholders	向股東支付截至2019年12月31日止年度期末股息	-	-	(285,887)	(285,887)	-	(285,887)
Appropriations from net profit	自純利撥付	-	3,050	(3,050)	-	-	-
Disposal of a subsidiary	出售附屬公司	-	-	-	-	209	209
Changes in ownership interests in a subsidiary without change of control	改變附屬公司之所有者權益而不改變控制權	-	24,287	-	24,287	11,003	35,290
Capital injection from non-controlling interests	非控制性權益注資	-	-	-	-	2,837	2,837
Share-based payment- value of consultancy service	股份為基礎的支付－顧問服務價值	-	98	-	98	-	98
Total transactions with owners	與擁有人交易總額	-	27,435	(288,937)	(261,502)	(232,370)	(493,872)
Balance at 30 June 2020	於2020年6月30日	318,636	2,526,720	8,634,677	11,480,033	1,650,507	13,130,540
Balance at 1 January 2021	於2021年1月1日	318,636	2,633,732	8,918,688	11,871,056	1,823,193	13,694,249
Total comprehensive income for the six months ended 30 June 2021	截至2021年6月30日止六個月的全面收益總額	-	6,603	481,129	487,732	96,693	584,425
Transactions with owners in their capacity as owners:	與本公司擁有人的交易：						
Dividends payable to non-controlling interests	向非控制性權益宣派的股息	-	-	-	-	(3,728)	(3,728)
Dividends paid to non-controlling interests	向非控制性權益支付的股息	-	-	-	-	(193,624)	(193,624)
Final dividends for the year ended 31 December 2020 paid to shareholders	向股東支付截至2020年12月31日止年度期末股息	-	-	(229,479)	(229,479)	-	(229,479)
Appropriations from net profit	自純利撥付	-	684	(684)	-	-	-
Share-based payment- value of employee services	股份為基礎的支付－僱員服務價值	-	3,004	-	3,004	-	3,004
Total transactions with owners	與擁有人交易總額	-	3,688	(230,163)	(226,475)	(197,352)	(423,827)
Balance at 30 June 2021	於2021年6月30日	318,636	2,644,023	9,169,654	12,132,313	1,722,534	13,854,847

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

上述簡明綜合權益變動表應與相應附註一併閱讀。

Condensed Consolidated Cash Flow Statement

簡明綜合現金流量表

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Unaudited 未經審核 For the six months ended 30 June 截至6月30日止六個月	
		2021 2021年	2020 2020年
Cash flows from operating activities	經營活動之現金流量		
Cash generated from operations	營運產生之現金	694,332	721,708
Income tax paid	已付所得稅	(208,929)	(254,188)
Net cash generated from operating activities	營運活動產生之現金淨額	485,403	467,520
Cash flows from investing activities	投資活動的現金流量		
Acquisition of a subsidiary	收購附屬公司	-	(154)
Proceeds from disposal of subsidiaries	出售附屬公司所得款	-	80
Refund of termination of the additional capital injection into an associate	解除增資聯營公司退回款項	-	14,560
Acquisition of equity interest in an associate	購入聯營公司之股權	(18,152)	-
Proceeds from disposal of an associate	出售聯營公司所得款	6,320	-
Purchases of financial assets at fair value through profit or loss	購入以公允價值計量且其變動計入損益之金融資產	(2,803,379)	(512,000)
Proceeds from disposals of financial assets at fair value through profit or loss	出售以公允價值計量且其變動計入損益之金融資產所得款項	1,346,203	878,729
Purchases of property, plant and equipment, and intangible assets	購入物業、機器及設備及無形資產	(163,470)	(83,668)
Purchase of right-of-use assets for land use rights	購入土地使用權相關之使用權資產	(4,140)	-
Proceeds from disposal of property, plant and equipment and intangible assets	出售物業、機器及設備及無形資產所得款項	7,368	5,754
Short-term time deposits placed	存入短期定期存款	-	(1,157,540)
Short-term time deposits released	提取短期定期存款	1,357,540	1,511,784
Dividend received	已收股息	4,696	9,114
Interest received	已收利息	94,632	74,574
Net cash (used in)/generated from investing activities	投資活動(所用)/產生之現金淨額	(172,382)	741,233
Cash flows from financing activities	融資活動的現金流量		
Final dividend for the year ended 31 December 2019 paid to shareholders	向股東支付截至2019年12月31日止年度之期末股息	-	(285,887)
Final dividend for the year ended 31 December 2020 paid to shareholders	向股東支付截至2020年12月31日止年度之期末股息	(229,479)	-
Dividends paid to non-controlling interests	向非控制性權益支付股息	(193,624)	(238,451)
Proceeds from changes in ownership interests in a subsidiary without change of control	改變附屬公司所有者權益而不改變控制權之所得款項	-	35,290
Capital injection from non-controlling interests	非控制性權益注資之所得款	-	2,837
New bank borrowings raised	新增銀行貸款	1,210,280	466,629
Repayment of bank borrowings	償還銀行貸款	(2,056,935)	(618,750)
Principal elements of lease payments	支付租賃付款之本金部分	(11,422)	(11,233)
Interest elements of lease payments	支付租賃付款之利息部分	(1,188)	(2,325)
Interest paid related to bank borrowings and others	與銀行貸款及其他相關之已付利息	(50,574)	(80,044)
Net cash used in financing activities	融資活動所用之現金淨額	(1,332,942)	(731,934)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(1,019,921)	476,819
Cash and cash equivalents at the beginning of the period	期初之現金及現金等價物	4,921,756	3,387,780
Effects of currency translation on cash and cash equivalents	貨幣換算對現金及現金等價物的影響	(11,635)	9,706
Cash and cash equivalents at the end of the period	期末之現金及現金等價物	3,890,200	3,874,305

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

上述簡明綜合現金流量表應與相應附註一併閱讀。

Notes to the Condensed Consolidated Interim Financial Information

(All amounts in RMB thousands unless otherwise stated)

1. GENERAL INFORMATION

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

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

The Company is an investment holding company. The Company and its subsidiaries (the “Group”) are mainly engaged in the research and development, production, distribution and sale of flavours and fragrances, tobacco raw materials, aroma raw materials and condiment products in the People’s Republic of China (the “PRC”). Ms. Chu Lam Yiu, who is the Chairlady of the Board of Directors, holds approximately 74% beneficial equity interest in the Company as at 30 June 2021.

This condensed consolidated interim financial information is presented in thousands of units of RMB (“RMB’000”) unless otherwise stated and it has been approved for issue by the Board of Directors on 20 August 2021.

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

簡明綜合中期財務資料附註

(除另有指明者外，所有金額均以人民幣千元列示)

1. 一般資料

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

本公司的股份主要於香港聯合交易所有限公司上市。

本公司為投資控股公司。本公司及其附屬公司(「本集團」)之業務主要在中華人民共和國(「中國」)研究及發展、生產、分銷及銷售香精、煙用原料、香原料及調味品產品。朱林瑤女士(「朱女士」)乃本公司之董事局主席，於2021年6月30日，朱女士持有本公司約74%之權益。

本簡明綜合中期財務資料除另有指明者外，均以人民幣千元(「人民幣千元」)列示。本簡明綜合中期財務資料已於2021年8月20日獲董事會批准刊發。

本簡明綜合中期財務資料已經審閱，並未經審核。

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

(All amounts in RMB thousands unless otherwise stated)

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2021 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants. This condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2020 which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2020, as described in those financial statements.

(a) New and amended standards adopted by the Group

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

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

2. 編製基準

本公司截至2021年6月30日止六個月的簡明綜合中期財務資料已根據香港會計師公會頒佈的香港會計準則(「香港會計準則」)第34號「中期財務報告」而編制。本簡明綜合中期財務資料應與本集團根據香港財務報告準則(「香港財務報告準則」)而編製的截至2020年12月31日止年度的綜合財務報表一併閱讀。

3. 會計政策

除下列所述外，編製本中期財務資料所採用之會計政策與截至2020年12月31日止年度的年度財務報表所採用的會計政策一致，並已詳列於該財務報表內。

(a) 本集團已採納的新準則及對現有準則的修訂

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

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

3. ACCOUNTING POLICIES (continued)

3. 會計政策(續)

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

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

(b) 已發佈但尚未應用於本集團之準則的影響

本集團並無提早採納以下已公佈但仍未生效的新準則及對現有準則的修訂：

		Effective for the financial year beginning on or after 於下列日期或 之後開始的財政 年度起生效
Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41 香港財務報告準則第1號， 香港財務報告準則第9號， 香港財務報告準則第16號及 香港會計準則第41號修訂	Annual Improvements to HKFRS Standards 2018 to 2020 香港財務報告準則2018年至 2020年週期之年度改進	1 January 2022 2022年1月1日
Amendments to HKFRS 3 香港財務報告準則第3號修訂	Reference to the conceptual framework 參考概念框架	1 January 2022 2022年1月1日
Amendments to HKAS 16 香港會計準則第16號修訂	Property, Plant and Equipment- proceeds before intended use 物業，機器及設備-擬定用途前的所得款項	1 January 2022 2022年1月1日
Amendments to HKAS 37 香港會計準則第37號修訂	Onerous Contracts – Cost of Fulfilling a Contract 有償合約-履行合約之成本	1 January 2022 2022年1月1日
Amendments to HKAS 1 香港會計準則第1號修訂	Classification of liabilities as current or non-current 負債分類為流動及非流動	1 January 2023 2023年1月1日
Amendments to HKFRS 17 香港財務報告準則第17號	Insurance contract 保險合同	1 January 2023 2023年1月1日
Amendments to HKAS 1 and HKFRS Practice Statement 2 香港會計準則第1號及香港 財務報告準則實務公告第2號修訂	Disclosure of Accounting Policies 會計政策的披露	1 January 2023 2023年1月1日
Amendments to HKAS 8 香港會計準則第8號修訂	Definition of Accounting Estimates 會計估計的定義	1 January 2023 2023年1月1日
Amendment to HKAS 12 香港會計準則第12號修訂	Deferred Tax related to Assets and Liabilities arising from a Single Transaction 與單一交易所產生的資產及 負債相關之遞延所得稅	1 January 2023 2023年1月1日

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

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

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

(All amounts in RMB thousands unless otherwise stated)

4. ESTIMATES

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

In preparing this condensed consolidated interim financial information, except for those described in note 7(a), the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020.

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

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

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2020. There have been no changes in the risk management policies since 31 December 2020.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

4. 估計

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

在編製此等簡明綜合中期財務資訊時，除了附註7(a)所述外，管理層應用本集團會計政策時作出的重大判斷和估計不確定性的關鍵來源，與2020年12月31日止年度之綜合財務報表所應用的相同。

5. 財務風險管理

5.1 財務風險因素

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

簡明綜合中期財務資料並未包括年度財務資料規定的所有財務風險管理信息和披露，此中期財務報表應與本集團截至2020年12月31日止年度的年度財務報表一併閱讀。自2020年12月31日以來，風險管理政策並無任何變動。

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

(All amounts in RMB thousands unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT (continued)

5.2 Liquidity risk

The Group's net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents. No debt-to-equity ratio is presented as the Group had net cash surplus as at 30 June 2021 and 31 December 2020.

5.3 Fair value estimation

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

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

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

5. 財務風險管理(續)

5.2 流動性風險

本集團之債務淨額為總貸款(包括流動及非流動貸款)減去現金及現金等價物。由於本集團於2021年6月30日及2020年12月31日擁有淨現金盈餘，故未呈現債務淨額。

5.3 公允價值估計

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

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

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

5. FINANCIAL RISK MANAGEMENT (continued)

5. 財務風險管理(續)

5.3 Fair value estimation (continued)

5.3 公允價值估計(續)

The table presents the Group's financial assets measured and recognised at fair value at 30 June 2021 and 31 December 2020:

下表列示本集團於2021年6月30日及2020年12月31日按公允價值計量及確認的金融資產：

		Level 1 第一層	Level 2 第二層	Level 3 第三層	Total 共計
At 30 June 2021	於2021年6月30日				
Financial assets at fair value through profit or loss ("FVPL")	以公允價值計量且其變動計入損益之金融資產				
– Listed equity investments	– 上市權益投資	43,188	–	–	43,188
– Wealth management products	– 財富管理產品	–	– 1,969,078		1,969,078
– Unlisted equity investments	– 非上市權益投資	–	– 227,441		227,441
Financial assets at fair value through other comprehensive income ("FVOCI")	以公允價值計量且其變動計入其他全面收益之金融資產				
– Unlisted equity investments in the PRC	– 於中國的非上市權益投資	–	–	17,868	17,868
– Unlisted overseas equity investments	– 於海外的非上市權益投資	–	–	54,328	54,328
		43,188	– 2,268,715	2,311,903	
		Level 1 第一層	Level 2 第二層	Level 3 第三層	Total 共計
At 31 December 2020	於2020年12月31日				
Financial assets at FVPL	以公允價值計量且其變動計入損益之金融資產				
– Listed equity investments	– 上市權益投資	29,064	–	–	29,064
– Wealth management products	– 財富管理產品	–	– 540,492		540,492
– Unlisted equity investments	– 非上市權益投資	–	– 112,614		112,614
Financial assets at FVOCI	以公允價值計量且其變動計入其他全面收益之金融資產				
– Unlisted overseas equity investments	– 於海外的非上市權益投資	–	–	55,072	55,072
		29,064	– 708,178		737,242

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

(All amounts in RMB thousands unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT (continued)

5.3 Fair value estimation (continued)

There were no transfers of financial assets between level 1, level 2 and level 3 fair value hierarchy classifications for the six months ended 30 June 2021. There are no other financial instruments that were measured at fair value as at 30 June 2021 and 31 December 2020.

The financial assets of level 1 within the fair value hierarchy as at 30 June 2021 and 31 December 2020 were the listed equity investments included in financial assets at FVPL. The fair value of these financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets of level 1 held by the Group is the current bid price.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

5. 財務風險管理(續)

5.3 公允價值估計(續)

截至2021年6月30日止六個月，概無金融資產於第一層，第二層和第三層架構類別之間轉入或轉出。於2021年6月30日及2020年12月31日，並無其他金融工具乃按公允價值計量。

於2021年6月30日及2020年12月31日，公允價值層級中的第一層金融資產是計入以公允價值計量且其變動計入當期損益的金融資產中的上市權益投資。在活躍市場中交易的這些金融工具的公允價值基於報告日的市場報價。如果可以從交易所，交易商，經紀人，行業組織，定價服務或監管機構隨時獲得定期報價，則這些市場被認為是活躍的，並且這些價格代表了獨立交易基礎上的實際和定期發生的市場交易。本集團持有的第一層金融資產使用的市場報價為當前買入價。

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

(All amounts in RMB thousands unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT (continued)

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

The financial assets of level 3 within the fair value hierarchy as at 30 June 2021 and 31 December 2020 were financial assets at FVOCI and financial assets at FVPL. The following table presents the changes of the Group's financial assets of level 3 within the fair value hierarchy for the six months ended 30 June 2021:

		Unlisted equity investments 非上市權益投資	Wealth management products 財富管理產品	Total 總計
At 1 January 2021	於2021年1月1日	167,686	540,492	708,178
Additions	添置	63,248	2,758,000	2,821,248
Disposals	出售	–	(1,346,003)	(1,346,003)
Fair value change recognised in other comprehensive income	於其他全面收益中確認的公允價值變動	(195)	–	(195)
Fair value change recognised in other income and other gains – net	於其他收入和其他收益－淨額中確認之公允價值變動	69,760	16,589	86,349
Currency translation differences	貨幣換算差額	(862)	–	(862)
At 30 June 2021	於2021年6月30日	299,637	1,969,078	2,268,715

Asset-based approach is adopted in valuation of the financial assets of level 3. Market approach and equity allocation model are no longer used for the six months ended 30 June 2021 as the unlisted equity investment which used these valuation techniques was disposed during the year ended 31 December 2020.

The expected return rates used in determining the fair value of the wealth management products of RMB1,969,078,000 as at 30 June 2021 were between 1.0% to 3.8% (31 December 2020: 0.9% to 4.0%). The fair value of unlisted equity investments is based on asset-based approach with no quantitative unobservable inputs developed.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

5. 財務風險管理(續)

5.4 使用重大不可觀察輸入的公允價值計量(第三層)

於2021年6月30日及2020年12月31日，公允價值層級中的第三層金融資產為以公允價值計量且其變動計入其他全面收益的金融資產和以公允價值計量且其變動計入當期損益的金融資產。下表列出了本集團截至2021年6月30日止六個月的公允價值層級中第三層金融資產的變化：

第三層金融資產的估值採用資產法，截至2021年6月30日止六個月不再採用市場法和權益分配模型，因為於2020年12月31日止年度已出售使用該估值技術的非上市權益投資。

於2021年6月30日財富管理產品的公允價值為人民幣1,969,078,000元，而用於確定其公允價值的預期收益率在1.0%至3.8%之間(2020年12月31日：0.9%至4.0%之間)。其他非上市權益投資的公允價值乃基於資產法，並無按量化的不可觀察輸入來估計。

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

(All amounts in RMB thousands unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT (continued)

5.5 Group's valuation processes

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

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

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

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

5. 財務風險管理(續)

5.5 本集團的估值過程

本集團之財務部設有一個小組，負責就財務報告事宜執行，並在需要時由獨立評估機構的協助下對金融資產進行估值，包括有關第三層公允價值。此小組直接向財務總監(「財務總監」)匯報。財務總監及評估小組乃按本集團之報告日期即每半年舉行一次討論估值流程與其結果。

5.6 按攤銷成本計量的金融資產及負債之公允價值

按攤銷成本計量的金融資產和負債的公允價值乃與其賬面值相若。

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

(All amounts in RMB thousands unless otherwise stated)

6. 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.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

6. 營業額及分部資料

本集團的經營分為四項主要營運分部：

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

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

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

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

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

6. REVENUE AND SEGMENT INFORMATION (continued)

6. 營業額及分部資料(續)

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

截至2021年6月30日止六個月的分部資料呈列如下：

		Unaudited 未經審核 For the six months ended 30 June 2021 截至2021年6月30日止六個月					
		Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Total 總計
Total revenue	總營業額	916,678	221,059	322,370	324,206	20	1,784,333
Inter-segment revenue	分部間營業額	(6,241)	(12,312)	(2,105)	-	-	(20,658)
Segment revenue – net	分部營業額－淨額	910,437	208,747	320,265	324,206	20	1,763,675
Segment result	分部業績	576,461	61,291	22,435	61,814	11,572	733,573
Finance income	財務收入						65,483
Finance costs	融資成本						(49,628)
Finance income – net	財務收入－淨額						15,855
Share of results of associates and a jointly controlled entity	應佔聯營公司及共同控制實體之業績						3,936
Profit before income tax	除稅前盈利						753,364
Income tax expense	所得稅						(171,899)
Profit for the period	本期間盈利						581,465
Depreciation	折舊	19,041	42,334	13,524	5,951	3,520	84,370
Amortisation	攤銷	833	4,496	7,580	36,895	11	49,815
		Unaudited 未經審核 As at 30 June 2021 於2021年6月30日					
		Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Total 總計
Segment assets	分部資產	7,804,076	2,575,038	1,208,133	4,559,744	638,289	16,785,280

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

(All amounts in RMB thousands unless otherwise stated)

6. REVENUE AND SEGMENT INFORMATION (continued)

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

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

		Audited 經審核					Total
		As at 31 December 2020 於2020年12月31日					Total
		Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Total 總計
Segment assets	分部資產	8,346,729	2,762,317	1,082,892	4,800,859	685,257	17,678,054

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

6. 營業額及分部資料(續)

截至2020年6月30日止六個月的分部資料呈列如下：

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

		Audited 經審核					Total
		As at 31 December 2020 於2020年12月31日					Total
		Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Total 總計
Segment assets	分部資產	8,346,729	2,762,317	1,082,892	4,800,859	685,257	17,678,054

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

(All amounts in RMB thousands unless otherwise stated)

6. REVENUE AND SEGMENT INFORMATION (continued)

Segment result represents the profit before income tax earned by each segment without inclusion of unallocated corporate expenses, finance costs, finance income and share of results of associates and 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.

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

Non-current assets other than financial instruments and deferred tax assets of the Group as at 30 June 2021 and 31 December 2020 are mainly located in the PRC.

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

Revenue derived from sales made to the single largest external customer for the six months ended 30 June 2021 amounted to 7.9% (for the six months ended 30 June 2020: 10.4%) of the Group's total revenue. These revenues are attributable to flavours and fragrances segment.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

6. 營業額及分部資料(續)

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

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

除金融工具和遞延所得稅資產以外，於2021年6月30日及2020年12月31日本集團的非流動資產主要位於中國。

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

截至2021年6月30日止六個月，來源於最大外部單一客戶的收入佔集團總收入的7.9%（截至2020年6月30日止六個月：10.4%）。這些收入是由香精分部產生的。

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

7. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

7. 物業、機器及設備及無形資產

		Unaudited 未經審核					
		Property, plant and equipment (excluding construction in progress) 物業、機器及 設備(不含 在建工程)	Construction in progress 在建工程	Total property, plant and equipment 物業、機器 及設備總計	Goodwill 商譽	Other intangible assets 其他無形 資產	Total intangible assets 無形資產 總計
For the six months ended 30 June 2020	截至2020年6月30日止六個月						
At 1 January 2020	於2020年1月1日	1,100,692	290,426	1,391,118	5,867,509	939,986	6,807,495
Additions	添置	16,271	60,583	76,854	-	6,814	6,814
Transfers	轉移	65,049	(65,049)	-	-	-	-
Disposal of subsidiaries	出售附屬公司	(366)	-	(366)	-	(25)	(25)
Other disposals	出售	(6,075)	-	(6,075)	-	-	-
Depreciation and amortisation	折舊及攤銷	(68,738)	-	(68,738)	-	(47,665)	(47,665)
Impairment of goodwill (note(a))	商譽減值(附註(a))	-	-	-	(495,498)	-	(495,498)
Currency translation differences	貨幣換算差額	(661)	(80)	(741)	-	-	-
At 30 June 2020	於2020年6月30日	1,106,172	285,880	1,392,052	5,372,011	899,110	6,271,121
At 31 December 2020	於2020年12月31日						
Cost	成本	2,378,537	296,850	2,675,387	5,903,875	1,406,263	7,310,138
Accumulated depreciation, amortisation and impairment	累計折舊、攤銷及減值	(1,287,130)	-	(1,287,130)	(531,864)	(551,912)	(1,083,776)
Net book amount	賬面淨值	1,091,407	296,850	1,388,257	5,372,011	854,351	6,226,362
For the six months ended 30 June 2021	截至2021年6月30日止六個月						
At 1 January 2021	於2021年1月1日	1,091,407	296,850	1,388,257	5,372,011	854,351	6,226,362
Additions	添置	17,781	140,502	158,283	-	5,187	5,187
Transfers	轉移	175,855	(175,855)	-	-	-	-
Other disposals	出售	(2,709)	-	(2,709)	-	-	-
Depreciation and amortisation	折舊及攤銷	(71,941)	-	(71,941)	-	(47,114)	(47,114)
Currency translation differences	貨幣換算差額	(355)	-	(355)	-	-	-
At 30 June 2021	於2021年6月30日	1,210,038	261,497	1,471,535	5,372,011	812,424	6,184,435
At 30 June 2021	於2021年6月30日						
Cost	成本	2,560,739	261,497	2,822,236	5,903,875	1,411,450	7,315,325
Accumulated depreciation, amortisation and impairment	累計折舊、攤銷及減值	(1,350,701)	-	(1,350,701)	(531,864)	(599,026)	(1,130,890)
Net book amount	賬面淨值	1,210,038	261,497	1,471,535	5,372,011	812,424	6,184,435

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

(All amounts in RMB thousands unless otherwise stated)

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

(a) Impairment of goodwill

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

		As at 30 June 2021 於2021年6月30日					As at 31 December 2020 於2020年12月31日				
		Reconstituted				Total	Reconstituted				Total
		Flavours Subgroup 香精	Tobacco Leaves 再造煙葉	Jiahao Foodstuff 嘉豪食品	Others 其他		Flavours Subgroup 香精	Tobacco Leaves 再造煙葉	Jiahao Foodstuff 嘉豪食品	Others 其他	
Goodwill	商譽	1,186,344	942,633	3,140,052	102,982	5,372,011	1,186,344	942,633	3,140,052	102,982	5,372,011

The recoverable amount of a CGU is determined based on the higher of value in use and the fair value less costs to sell. Following the significant decrease in sales of the Group due to the outbreak of the Novel Coronavirus Pneumonia pandemic since early 2020, management recalculated the recoverable amounts of all CGUs as at 30 June 2020. The value in use results of CGUs other than the CGUs of Jiahao Foodstuff Limited and its subsidiaries ("Jiahao Foodstuff") were assessed to be exceed their carrying amounts as at 30 June 2020. According to the management's estimation of the recoverable amount of the CGU of Jiahao Foodstuff with the assistance of an independent valuer, which was calculated based on its value in use that was assessed to be higher than its fair value less costs to sell, an impairment loss of RMB495,498,000 for this CGU was recognised for the six months ended 30 June 2020, resulted in a reduction in the carrying amount of the goodwill of Jiahao Foodstuff from RMB3,635,550,000 to RMB3,140,052,000 as at 30 June 2020.

As at 31 December 2020 and 30 June 2021, management reassessed the key assumptions for impairment testing of goodwill of all CGUs and engaged an independent valuer to conduct impairment test on the CGU of Jiahao Foodstuff as at 31 December 2020 and CGU of reconstituted tobacco leaves as at 31 December 2020 and 30 June 2021. Based on the assessment, the Group considered that there is no additional impairment of goodwill.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

7. 物業、機器及設備及無形資產(續)

(a) 商譽減值

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

現金產生單位的可收回金額乃根據使用價值與公允價值減銷售成本兩者中的較高者釐定。於2020年初由於新型冠狀病毒肺炎疫情爆發導致集團之銷售有所下降，管理層重新計算所有業務於2020年6月30日的現金產生單位的可收回金額。於2020年6月30日，除了嘉豪食品有限公司及其附屬公司（「嘉豪食品」）的現金產生單位，其餘現金產生單位的使用價值結果被評估為超過賬面值。根據管理層在獨立評估師協助下估算嘉豪食品的現金產生單位的可收回金額（計算基於其使用價值，而該使用價值被評估為高於其公允價值減出售成本），在截至2020年6月30日止六個月，嘉豪食品的現金產生單位確認了減值虧損為人民幣495,498,000元，導致嘉豪食品的商譽賬面值於2020年6月30日由人民幣3,635,550,000元減少至人民幣3,140,052,000元。

於2020年12月31日及2021年6月30日，管理層再次評估所有現金產生單位在商譽減值測試中的關鍵假設，並聘用獨立評估師為嘉豪食品於2020年12月31日的現金產生單位進行減值測試和為再造煙葉的現金產生單位於2020年12月31日及2021年6月30日進行減值測試。根據評估，本集團認為並無額外商譽減值。

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

(All amounts in RMB thousands unless otherwise stated)

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

(a) Impairment of goodwill (continued)

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

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

		As at 30 June 2021 於2021年6月30日				As at 31 December 2020 於2020年12月31日			
		Reconstituted				Reconstituted			
		Flavours Subgroup 香精	Tobacco Leaves 再造煙葉	Jiahao Foodstuff 嘉豪食品	Others 其他	Flavours Subgroup 香精	Tobacco Leaves 再造煙葉	Jiahao Foodstuff 嘉豪食品	Others 其他
Forecast growth rate	預計增長率	-3.0%-0.0%	-2.3%-10.0%	4.9%-49.9%	-21.7%-222.4%	-3.0%-0.0%	3.0%-5.8%	4.9%-75.7%	-21.7%-427.7%
Terminal growth rate	永續年增長率	0.0%	3.0%	3.0%	0.0%-3.2%	0.0%	3.0%	3.0%	0.0%-3.0%
Budgeted gross profit margin	預計毛利率	83.0%	51.2%-54.6%	60.5%-61.5%	20.0%-45.0%	83.0%	54.5%-58.6%	60.0%-61.3%	23.8%-45.0%
Pre-tax discount rate	稅前貼現率	15.3%	15.9%	13.5%	15.3%-19.7%	15.4%	15.3%	13.5%	15.2%-22.3%

The recoverable amounts and the headrooms available (the excess of the recoverable amounts over the carrying amounts) of the CGUs of Flavours Subgroup, CGUs of Reconstituted Tobacco Leaves and CGUs of Jiahao Foodstuff are as follows:

		As at 30 June 2021 於2021年6月30日			As at 31 December 2020 於2020年12月31日		
		Reconstituted			Reconstituted		
		Flavours Subgroup 香精	Tobacco Leaves 再造煙葉	Jiahao Foodstuff 嘉豪食品	Flavours Subgroup 香精	Tobacco Leaves 再造煙葉	Jiahao Foodstuff 嘉豪食品
Recoverable amount	可收回金額	10,737,207	1,664,973	4,469,157	11,327,604	1,640,544	4,283,693
Headroom	不減值空間	5,899,610	117,566	225,979	5,994,018	111,538	136,672

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

7. 物業、機器及設備及無形資產(續)

(a) 商譽減值(續)

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

計算使用價值的關鍵假設列示如下：

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

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

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

7. 物業、機器及設備及無形資產(續)

(a) Impairment of goodwill (continued)

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

(a) 商譽減值(續)

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

	As at 30 June 2021 於2021年6月30日						As at 31 December 2020 於2020年12月31日					
	Flavours Subgroup 香精		Reconstituted Tobacco Leaves 再造煙葉		Jiahao Foodstuff 嘉豪食品		Flavours Subgroup 香精		Reconstituted Tobacco Leaves 再造煙葉		Jiahao Foodstuff 嘉豪食品	
	From 由	To 至	From 由	To 至	From 由	To 至	From 由	To 至	From 由	To 至	From 由	To 至
Forecast growth rate 預計增長率	-3.0%-0.0%	-76.4%--73.4%	-2.3%--10.0%	-4.8%--7.5%	4.9%--49.9%	3.1%--48.1%	-3.0%-0.0%	-74.4%--71.4%	3.0%-5.8%	1.1%-4.0%	4.9%--75.7%	3.9%--74.7%
Terminal growth rate* 永續年增長率*	NA	NA	3.0%	1.6%	3.0%	2.3%	NA	NA	3.0%	1.6%	3.0%	2.6%
Budgeted gross profit margin 預計毛利率	83.0%	34.2%	51.2%--54.6%	48.5%--51.9%	60.5%--61.5%	58.5%--59.5%	83.0%	35.3%	54.5%--58.6%	51.8%--55.9%	60.0%--61.3%	58.8%--60.1%
Pre-tax discount rate 稅前貼現率	15.3%	90.9%	15.9%	17.2%	13.5%	14.1%	15.4%	93.7%	15.3%	16.2%	13.5%	13.8%

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

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

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

(All amounts in RMB thousands unless otherwise stated)

8. INVESTMENTS IN ASSOCIATES

The Group has interests in five (31 December 2020: five) individually immaterial associates as at 30 June 2021. The following table analyses, in aggregate, the movements of the carrying amount of the Group's investments in these associates, and its share of results of these associates.

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

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

8. 於聯營公司之投資

於2021年6月30日，本集團於五個（2020年12月31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：

	附註	Unaudited 未經審核 For the six months ended 30 June 2021 截至2021年 6月30日 止六個月
At 1 January		374,761
Acquisition of equity interest in Broad Far (Hong Kong) Limited ("Broad Far")	22(b)	18,152
Share of results of associates		3,728
Dividends received		(4,031)
Adjustment for transactions between the Group and associates		(600)
Disposal of equity interest in Beijing Kingdee Yunji Technology Co., Ltd. (formerly named as Beijing Yunji Wuyu Technology Co., Ltd.)		(13,788)
At 30 June		378,222

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

8. INVESTMENTS IN ASSOCIATES (continued)

- (a) As at 30 June 2021, the Group had interests in the following associates:

8. 於聯營公司之投資(續)

- (a) 於2021年6月30日，本集團於以下聯營公司擁有權益：

Name	Place of incorporation	% of ownership Interests	Principal activities
名稱	註冊成立地點	所持權益百分比	主要業務
Guizhou Huangguoshu Golden Leaf Technology Co., Ltd. (“Huangguoshu Golden Leaf”)	PRC	40%	Production and sales of reconstituted tobacco leaves
貴州黃果樹金葉科技有限公司 (「黃果樹金葉」)	中國	40%	生產和銷售再造煙葉
Yunnan Hongta Blue Eagle Paper Co., Ltd. (“Hongta Blue Eagle”)	PRC	25.1%	Production and sales of cigarette paper and auxiliary products
雲南紅塔藍鷹紙業有限公司 (「紅塔藍鷹」)	中國	25.1%	生產和銷售捲煙用紙及輔助品
Yunnan Ruisheng Tobacco Technology Group Co., Ltd. (“Yunnan Ruisheng”) (i)	PRC	6.72%	Research and development, production and sales of flavours and additives
雲南瑞升煙草技術(集團)有限公司 (「雲南瑞升」)(i)	中國	6.72%	研發、生產和銷售香精香料及添加劑
Yunnan Nongken Gaoyuan Food Co., Ltd.	PRC	30%	Purchases and sales of agricultural products, coffee and tea raw materials
雲南農墾高原食品有限公司	中國	30%	採購及銷售農業產品、咖啡及茶原料
Broad Far	Hong Kong	28%	Research and development, production and sales of heat-not-burn tobacco products
博遠	香港	28%	研發、生產和銷售加熱不燃燒煙草產品

- (i) The Group has significant influence over Yunnan Ruisheng by representations on the board of directors of this company.

- (i) 本集團通過在雲南瑞升的董事會中委任董事，對這間公司有重大影響力。

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

9. DEFERRED INCOME TAX ASSETS/LIABILITIES

The movements in the deferred income tax are as follows:

9. 遞延所得稅資產／負債

遞延所得稅變動如下：

		Unaudited 未經審核						
		Deferred income tax assets 遞延所得稅資產				Deferred income tax liabilities 遞延所得稅負債		
	Note	Unrealised profits arising from intra-group sales	Recoverable tax loss	Others	Total	Valuation surplus of assets and recognition of intangible assets	Withholding income tax on dividends expected to be remitted from group entities incorporated in the PRC	Total
	附註	集團內公司間銷售所產生的集團內未變現盈利	可彌補虧損	其他	總計	資產評估盈餘及無形資產的確認	集團內位於中國國內的公司預期匯出的股息所產生之預提所得稅	總計
At 1 January 2020	於2020年1月1日	78,571	23,095	33,591	135,257	153,191	52,545	205,736
Recognised in the income statement	於損益表確認	18	(3,861)	1,413	5,506	3,058	(7,160)	(45,689)
At 30 June 2020	於2020年6月30日	74,710	24,508	39,097	138,315	146,031	14,016	160,047
At 1 January 2021	於2021年1月1日	89,992	35,213	35,242	160,447	139,513	31,023	170,536
Recognised in the income statement	於損益表確認	18	(9,181)	632	3,106	(5,443)	10,619	(1,561)
At 30 June 2021	於2021年6月30日	80,811	35,845	38,348	155,004	150,132	18,843	168,975

As at 30 June 2021, deferred income tax liabilities of RMB157,491,000 (31 December 2020: RMB171,245,000) have not been recognised for the withholding tax that would otherwise be payable on the undistributed profits of certain PRC subsidiaries.

於2021年6月30日，本集團並未就若干中國大陸附屬公司之未分派盈利可能產生的預提所得稅確認遞延所得稅負債人民幣157,491,000元（2020年12月31日：人民幣171,245,000元）。

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

(All amounts in RMB thousands unless otherwise stated)

10. TRADE AND OTHER RECEIVABLES

		Note	As at 30 June 2021 於2021年 6月30日 Unaudited 未經審核	As at 31 December 2020 於2020年 12月31日 Audited 經審核
Trade receivables	貿易應收款項	(a)	826,249	1,020,767
Less: provision for impairment of trade receivables	減：貿易應收款項減值撥備		(12,543)	(11,167)
Trade receivables – net	貿易應收款項－淨額		813,706	1,009,600
Notes receivable	應收票據		65,330	80,105
Advances to staff	員工墊款		15,195	4,409
Others	其他		18,248	48,062
Prepayments and other receivables	預付款項及其他應收款項		288,275	244,428
Less: provision for impairment of other receivables	減：其他應收款項減值撥備		(35,003)	(34,854)
			1,165,751	1,351,750

Except for prepayments of RMB53,290,000 (31 December 2020: RMB70,727,000), trade and other receivables are financial assets categorised as “financial assets measured at amortised cost”. All trade and other receivables are either repayable within one year or on demand.

除預付賬款人民幣53,290,000元(2020年12月31日：人民幣70,727,000元)外，貿易及其他應收款項乃金融資產被分類為「以攤銷成本計量的金融資產」。所有貿易及其他應收款項乃於一年內或於通知時清還。

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

10. 貿易及其他應收款項

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

(All amounts in RMB thousands unless otherwise stated)

10. TRADE AND OTHER RECEIVABLES (continued)

- (a) The credit period granted to customers generally ranges from 0 to 180 days. At 30 June 2021 and 31 December 2020, the ageing analysis of the trade receivables (including amounts due from related parties which are trade in nature) based on the invoice date was as follows:

		As at 30 June 2021 於2021年 6月30日 Unaudited 未經審核	As at 31 December 2020 於2020年 12月31日 Audited 經審核
0 – 90 days	0至90日	667,215	883,425
91 – 180 days	91至180日	114,790	93,287
181 – 360 days	181至360日	28,990	22,568
Over 360 days	360日以上	15,254	21,487
		826,249	1,020,767

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. For the six months ended 30 June 2021, a provision for impairment of RMB1,376,000 (six months ended 30 June 2020: RMB863,000) was made against the gross amount of trade receivables and no amount was written off as uncollectible (six months ended 30 June 2020: RMB1,308,000 written off as uncollectible).

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

10. 貿易及其他應收款項(續)

- (a) 授予客戶的信貸期一般為0至180日。於2021年6月30日及2020年12月31日，貿易應收款項(包括關聯方的貿易應收款項)根據發票日期的賬齡分析如下：

		As at 30 June 2021 於2021年 6月30日 Unaudited 未經審核	As at 31 December 2020 於2020年 12月31日 Audited 經審核
0 – 90 days	0至90日	667,215	883,425
91 – 180 days	91至180日	114,790	93,287
181 – 360 days	181至360日	28,990	22,568
Over 360 days	360日以上	15,254	21,487
		826,249	1,020,767

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2021年6月30日止六個月，已對貿易應收款項總額作出人民幣1,376,000元之減值撥備(截至2020年6月30日止六個月：人民幣863,000元)及並無沖銷無法收回之款項(截至2020年6月30日止六個月：沖銷人民幣1,308,000元無法收回之款項)。

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

(All amounts in RMB thousands unless otherwise stated)

11. SHARE CAPITAL

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

11. 股本

		Unaudited 未經審核	
		Number of shares 股份數目	Share capital 股本 RMB'000 人民幣千元
Ordinary shares, issued and fully paid: 普通股, 已發行及繳足:			
At 1 January 2020, 31 December 2020, 1 January 2021 and 30 June 2021	於2020年1月1日, 2020年12月31日, 2021年1月1日及2021年6月30日	3,107,836,876	318,636

12. SHARE-BASED PAYMENT

(a) Share option scheme

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

The estimated fair value of the share options per share during the valid period was from HK1.2 cents to HK35.5 cents, by reference to the fair value of the equity instruments granted, measured at the date the business consultant renders service. During the six months ended 30 June 2020, the Group recognises the total expense of approximately HKD108,000 (equivalent to approximately RMB98,000) in relation to these share options.

12. 股份為基礎的支付

(a) 購股權計劃

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

購股權的有效期間，購股權之估值為每股港幣1.2仙至港幣35.5仙，此乃於顧問提供服務日參考授出之權益工具而計量。截至2020年6月30日止六個月，本集團確認購股權有關之費用總額約為港幣108,000元（等於約人民幣98,000元）。

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

(All amounts in RMB thousands unless otherwise stated)

12. SHARE-BASED PAYMENT (continued)

(a) Share option scheme (continued)

11,000,000 share options outstanding with weighted average exercise price of HKD3.708 per share as at 30 June 2020, lapsed on 1 July 2020. Movements in the number of shares options outstanding during the periods are set out below:

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

12. 股份為基礎的支付(續)

(a) 購股權計劃(續)

於2020年6月30日，加權平均行使價為每股港幣3.708元的之未行使的11,000,000股購股權已於2020年7月1日失效。於期內，未行使的購股權數目之變動列示如下：

		Unaudited 未經審核	
		For the six months ended 30 June	
		截至6月30日止六個月	
		2021 2021年 Number of share options 購股權數目 (‘000) (股數以千計)	2020 2020年 Number of share options 購股權數目 (‘000) (股數以千計)
At 1 January	於1月1日	–	11,000
Granted	授出	–	–
At 30 June	於6月30日	–	11,000

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

(All amounts in RMB thousands unless otherwise stated)

12. SHARE-BASED PAYMENT (continued)

(b) Employee share scheme

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

The amounts of share-based compensation recognised as expenses with a corresponding credit to reserves of the Group for the six months ended 30 June 2021 was RMB3,004,000.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

12. 股份為基礎的支付(續)

(b) 僱員購股權計劃

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

截至2021年6月30日止六個月期間，本集團將以股份為基礎的酬金確認為支出，並相應計入儲備之金額為人民幣3,004,000元。

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

(All amounts in RMB thousands unless otherwise stated)

12. SHARE-BASED PAYMENT (continued)

(c) Expenses arising from share-based payment transactions

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

12. 股份為基礎的支付(續)

(c) 以股份為基礎的支付產生之費用

		Unaudited 未經審核	
		For the six months ended 30 June	
		截至6月30日止六個月	
		2021 2021年	2020 2020年
Share option scheme	購股權計劃	–	98
Employee share scheme	僱員購股權計劃	3,004	–
		3,004	98

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

13. RESERVES

13. 儲備

		Unaudited 未經審核									
		Contributed surplus	Merger reserve	Share premium	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Currency translation reserve	Statutory Reserve	Other reserves	Total
		實繳盈餘	合併儲備	股份溢價	資本儲備	資本贖回儲備	以股份為基礎的酬金儲備	貨幣換算儲備	法定儲備	其他儲備	總計
At 1 January 2020	於2020年1月1日	296,853	(628,438)	429,861	2,411	4,760	907	14,588	773,104	1,646,483	2,540,529
Fair value changes on financial assets at FVOCI, net of tax	以公允價值計量且其變動計入其他全面收益之金融資產之除稅後的公允價值變動	-	-	-	-	-	-	-	-	(1,669)	(1,669)
Appropriations from net profit	自溢利撥付	-	-	-	-	-	-	-	3,050	-	3,050
Changes in ownership interests in a subsidiary without change of control	改變附屬公司之所有者權益而不改變控制權	-	-	-	-	-	-	-	-	24,287	24,287
Share-based payment- value of consultancy service	股份為基礎的支付—顧問服務價值	-	-	-	-	-	98	-	-	-	98
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	(39,575)	-	-	(39,575)
At 30 June 2020	於2020年6月30日	296,853	(628,438)	429,861	2,411	4,760	1,005	(24,987)	776,154	1,669,101	2,526,720
At 1 January 2021	於2021年1月1日	296,853	(628,438)	429,861	2,411	4,760	536	76,035	790,912	1,660,802	2,633,732
Fair value changes on financial assets at FVOCI, net of tax	以公允價值計量且其變動計入其他全面收益之金融資產之除稅後的公允價值變動	-	-	-	-	-	-	-	-	(195)	(195)
Appropriations from net profit	自溢利撥付	-	-	-	-	-	-	-	684	-	684
Share-based payment- value of employee services	股份為基礎的支付—僱員服務價值	-	-	-	-	-	3,004	-	-	-	3,004
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	6,798	-	-	6,798
At 30 June 2021	於2021年6月30日	296,853	(628,438)	429,861	2,411	4,760	3,540	82,833	791,596	1,660,607	2,644,023

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

(All amounts in RMB thousands unless otherwise stated)

14. BORROWINGS

		Note	As at 30 June 2021 於2021年 6月30日 Unaudited 未經審核	As at 31 December 2020 於2020年 12月31日 Audited 經審核
Non-current	非流動			
Long-term bank borrowings	長期銀行貸款			
– Secured bank borrowings	– 有抵押銀行貸款	(a)	–	1,692,855
– Unsecured bank borrowings	– 無抵押銀行貸款	(b)	983,930	227,243
Less: current portion	減：流動部份		(295,179)	(113,621)
			688,751	1,806,477
Current	流動			
Current portion of non-current liabilities	非流動負債下之流動部份			
– Unsecured bank borrowings	– 無抵押銀行貸款	(b)	295,179	113,621
Short-term bank borrowings	短期銀行貸款			
– Unsecured bank borrowings	– 無抵押銀行貸款	(b)	871,287	788,132
			1,166,466	901,753
Total borrowings	總貸款		1,855,217	2,708,230

(a) As at 30 June 2021, the Group's secured bank borrowings were fully repaid (31 December 2020: RMB1,692,855,000). During the period, the average interest rate of the loan was 5.7% (six months ended 30 June 2020: 5.7%) per annum.

(b) The Group's unsecured bank borrowings are repayable within one to two years. For the six months ended 30 June 2021, the average interest rate was 2.2% (six months ended 30 June 2020: 3.0%) per annum.

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

Interest expense on bank borrowings for the six months ended 30 June 2021 amounted to approximately RMB48,300,000 (six months ended 30 June 2020: RMB76,703,000). No interest expense was capitalised during the six months ended 30 June 2021 and 2020.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

14. 貸款

	Note	As at 30 June 2021 於2021年 6月30日 Unaudited 未經審核	As at 31 December 2020 於2020年 12月31日 Audited 經審核
Non-current			
Long-term bank borrowings			
– Secured bank borrowings	(a)	–	1,692,855
– Unsecured bank borrowings	(b)	983,930	227,243
Less: current portion		(295,179)	(113,621)
		688,751	1,806,477
Current			
Current portion of non-current liabilities			
– Unsecured bank borrowings	(b)	295,179	113,621
Short-term bank borrowings			
– Unsecured bank borrowings	(b)	871,287	788,132
		1,166,466	901,753
Total borrowings		1,855,217	2,708,230

(a) 於2021年6月30日，本集團有抵押銀行貸款已全數償還(2020年12月31日：人民幣1,692,855,000元)。於期內，該貸款平均利息為每年5.7厘(截至2020年6月30日止六個月：5.7厘)。

(b) 本集團無抵押銀行貸款需於一至兩年內到期償還。截至2021年6月30日止六個月，該貸款平均利息為每年2.2厘(截至2020年6月30日止六個月：3.0厘)。

貸款乃金融負債被分類為「按攤銷成本計量的金融負債」。

截至2021年6月30日止六個月的銀行貸款利息開支約為人民幣48,300,000元(截至2020年6月30日止六個月：人民幣76,703,000元)。截至2021年和2020年6月30日止六個月並無利息開支資本化。

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

15. TRADE AND OTHER PAYABLES

15. 貿易及其他應付款項

		Note	As at 30 June 2021 於2021年 6月30日 Unaudited 未經審核	As at 31 December 2020 於2020年 12月31日 Audited 經審核
Trade payables	貿易應付款項	(a)	248,820	268,020
Dividends payable to non-controlling interests	應付非控制性權益之股息		3,728	–
Wages payable	應付工資		72,924	96,145
Other taxes payable	其他應付稅項		50,258	102,179
Accruals for expenses	應計開支		8,961	12,003
Other payables	其他應付款項		165,023	171,197
			549,714	649,544

Except for other taxes payable of RMB50,258,000 (31 December 2020: RMB102,179,000) and wages payable of RMB72,924,000 (31 December 2020: RMB96,145,000), trade and other payables balances are financial liabilities categorised under "financial liabilities measured at amortised cost".

除其他應付稅款人民幣50,258,000元(2020年12月31日：人民幣102,179,000元)及應付工資人民幣72,924,000元(2020年12月31日：人民幣96,145,000元)外，貿易及其他應付款乃金融負債被分類為「按攤銷成本計量的金融負債」。

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

貿易及其他應付款的非流動及流動部份如下：

		As at 30 June 2021 於2021年 6月30日 Unaudited 未經審核	As at 31 December 2020 於2020年 12月31日 Audited 經審核
Non-current	非流動	800	800
Current	流動	548,914	648,744
		549,714	649,544

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

(All amounts in RMB thousands unless otherwise stated)

15. TRADE AND OTHER PAYABLES (continued)

- (a) As at 30 June 2021 and 31 December 2020, the ageing analysis of the trade payables (including amounts due to related parties which are trade in nature) based on the invoice dates was as follows:

		As at 30 June 2021 於2021年 6月30日 Unaudited 未經審核	As at 31 December 2020 於2020年 12月31日 Audited 經審核
0 – 90 days	0至90日	211,423	235,750
91 – 180 days	91至180日	21,748	16,348
181 – 360 days	181至360日	3,918	5,421
Over 360 days	360日以上	11,731	10,501
		248,820	268,020

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

15. 貿易及其他應付款項(續)

- (a) 於2021年6月30日及2020年12月31日，貿易應付款項(包括關聯人士的貿易應付款項)根據發票日期的賬齡分析如下：

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

(All amounts in RMB thousands unless otherwise stated)

16. OTHER INCOME AND OTHER GAINS – NET

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

16. 其他收入及其他收益－淨額

		Unaudited 未經審核	
		For the six months ended 30 June	
		截至6月30日止六個月	
	Note 附註	2021 2021年	2020 2020年
Changes in fair value of financial assets at FVPL	以公允價值計量且其變動計入損益的金融資產的公允價值變動	(a) 100,845	1,310
Gains on disposal of financial assets at FVPL	出售以公允價值計量且其變動計入損益的金融資產的收益	200	173
Gain on disposal of an associate	出售聯營公司之收益	16,720	–
Losses on disposal of subsidiaries	出售附屬公司之虧損	–	(1,433)
Government grants	政府津貼	109,571	108,918
Currency exchange (loss)/gain – net	貨幣匯兌(虧損)/收益－淨額	(10,597)	41,205
Net gains/(losses) on disposal of property, plant and equipment and intangible assets	出售物業、機器及設備及無形資產之淨收益/(虧損)	4,659	(321)
Others	其他	676	83
		222,074	149,935

(a) Changes in fair value originate from listed/unlisted equity investments and wealth management products. For the six months ended 30 June 2021, changes in fair value were mainly attributable to the successful listing of two underlying projects invested by one of the unlisted equity investments held by the Group during the period.

(a) 公允價值變動來源於上市／非上市權益投資和銀行財富管理產品。截至2021年6月30日止六個月，公允價值變動主要來自本集團持有的一項非上市權益投資所投資的兩個項目於期內成功上市。

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

(All amounts in RMB thousands unless otherwise stated)

17. 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:

		Unaudited 未經審核		
		For the six months ended		
		30 June		
		截至6月30日止六個月		
		Note	2021	2020
		附註	2021年	2020年
Depreciation	折舊	6	75,560	75,852
Amortisation	攤銷	6	48,735	48,335
Employee benefit expenses	僱員福利開支		273,494	243,885
Research and development expenses	研究及發展開支	(a)	108,511	108,597
Short-term lease rentals	短期租賃租金		4,545	3,109
Travelling expenses	差旅開支		14,466	18,509
Utility expenses	公共設施開支		28,994	29,607
Delivery expenses	運輸開支		26,384	20,556

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

		Unaudited 未經審核		
		For the six months ended		
		30 June		
		截至6月30日止六個月		
		Note	2021	2020
		附註	2021年	2020年
Depreciation	折舊	6	8,810	8,955
Amortisation	攤銷	6	1,080	2,346
Employee benefit expenses	僱員福利開支		54,374	55,270

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

17. 按性質分類的開支

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

		Unaudited 未經審核		
		For the six months ended		
		30 June		
		截至6月30日止六個月		
		Note	2021	2020
		附註	2021年	2020年
Depreciation	折舊	6	75,560	75,852
Amortisation	攤銷	6	48,735	48,335
Employee benefit expenses	僱員福利開支		273,494	243,885
Research and development expenses	研究及發展開支	(a)	108,511	108,597
Short-term lease rentals	短期租賃租金		4,545	3,109
Travelling expenses	差旅開支		14,466	18,509
Utility expenses	公共設施開支		28,994	29,607
Delivery expenses	運輸開支		26,384	20,556

(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：

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

18. INCOME TAX EXPENSE

18. 所得稅

		Unaudited 未經審核		
		For the six months ended 30 June		
		截至6月30日止六個月		
		Note 附註	2021 2021年	2020 2020年
Current income tax:	即期稅項：			
– PRC corporate income tax	– 中國企業所得稅	(a)	162,479	180,489
– Hong Kong profits tax	– 香港所得稅	(b)	4,979	4,921
– Botswana company income tax	– 博茨瓦納企業所得稅	(c)	559	491
– Germany company income tax	– 德國企業所得稅	(d)	–	–
Deferred income tax	遞延所得稅	9	3,882	(48,747)
			171,899	137,154

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

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

(b) Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2020: 16.5%) on the estimated assessable profit for the period.

(b) 香港所得稅按本期間估計應課稅盈利以稅率16.5% (截至2020年6月30日止六個月：16.5%)撥備。

(c) Botswana company income tax has been provided at the rate of 15.0% (six months ended 30 June 2020: 15.0%) on the estimated assessable profit for the period.

(c) 博茨瓦納企業所得稅按本期間估計應課稅盈利以稅率15.0% (截至2020年6月30日止六個月：15.0%)撥備。

(d) Germany company income tax has been provided at the rate of 15.0% (six months ended 30 June 2020: 15.0%) on the estimated assessable profit for the period.

(d) 德國企業所得稅按本期間估計應課稅盈利以稅率15.0% (截至2020年6月30日止六個月：15.0%)撥備。

(e) No provision for income tax in other jurisdictions has been made as the Group had no assessable profit in other jurisdictions for the six months ended 30 June 2021 and 2020.

(e) 本集團於截至2021年及2020年6月30日止六個月期間在其他司法權區並無取得應課所得稅收入，故無為其他司法權區的所得稅作出撥備。

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

(All amounts in RMB thousands unless otherwise stated)

19. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue for the six months ended 30 June 2021 and 2020.

		Unaudited 未經審核 For the six months ended 30 June 截至6月30日止六個月	
		2021 2021年	2020 2020年
Profit/(loss) attributable to equity holders of the Company	本公司權益持有人應佔 盈利/(虧損)	481,129	(45,434)
Weighted average number of ordinary shares in issue ('000)	已發行之普通股之 加權平均數(千計)	3,107,837	3,107,837
Basic earnings/(loss) per share attributable to owners of the Company (RMB cents per share)	本公司權益持有人應佔 每股基本盈利/(虧損) (每股人民幣分)	15.48	(1.46)

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share for the six months ended 30 June 2021 and 2020 was the same as basic earnings/(loss) per share, since the Company did not have any potential ordinary share outstanding that has dilution effect.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

19. 每股盈利/(虧損)

(a) 每股基本盈利/(虧損)

每股基本盈利/(虧損)乃根據本期間本公司權益持有人應佔盈利/(虧損)，除以截至2021年及2020年6月30日止六個月期間已發行普通股的加權平均數目計算。

		Unaudited 未經審核 For the six months ended 30 June 截至6月30日止六個月	
		2021 2021年	2020 2020年
Profit/(loss) attributable to equity holders of the Company	本公司權益持有人應佔 盈利/(虧損)	481,129	(45,434)
Weighted average number of ordinary shares in issue ('000)	已發行之普通股之 加權平均數(千計)	3,107,837	3,107,837
Basic earnings/(loss) per share attributable to owners of the Company (RMB cents per share)	本公司權益持有人應佔 每股基本盈利/(虧損) (每股人民幣分)	15.48	(1.46)

(b) 每股攤薄盈利/(虧損)

截至2021及2020年6月30日止六個月的每股攤薄盈利/(虧損)與每股基本盈利/(虧損)相同，因為本公司沒有任何潛在的具有稀釋作用的已發行普通股。

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

(All amounts in RMB thousands unless otherwise stated)

20. DIVIDENDS

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

20. 股息

		Unaudited 未經審核	
		For the six months ended 30 June	
		截至6月30日止六個月	
		2021 2021年	2020 2020年
Paid special dividend of HK 6.0 cents per share for the six months ended 30 June 2020	已付截至2020年6月30日止六個月之特別股息每股港幣6.0仙	-	165,064
Proposed interim dividend of HK6.4 cents per share for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil)	擬派截至2021年6月30日止六個月之中期股息每股港幣6.4仙(截至2020年6月30日止六個月：無)	165,502	-
		165,502	165,064

Special dividend of approximately HKD186,470,000 (equivalent to approximately RMB165,064,000) for the six months ended 30 June 2020 was paid in October 2020. Final dividend of approximately HKD279,705,000 (equivalent to approximately RMB229,479,000) for the year ended 31 December 2020 was paid in June 2021.

As the interim dividend was declared after the balance sheet date, they have not been recognised as dividend payable as at 30 June 2021.

截至2020年6月30日止六個月之中期特別股息約港幣186,470,000元(折合約人民幣165,064,000元)已於2020年10月支付。截至2020年12月31日止年度之期末股息約港幣279,705,000元(折合約人民幣229,479,000元)已於2021年6月支付。

由於中期股息乃於結算日後宣派，此應付股息並未確認於2021年6月30日之應付股息內。

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

(All amounts in RMB thousands unless otherwise stated)

21. CAPITAL COMMITMENTS

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

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

21. 資本承擔

於期末／年末已簽約但仍未確認為負債的資本開支如下：

		As at 30 June 2021 於2021年 6月30日 Unaudited 未經審核	As at 31 December 2020 於2020年 12月31日 Audited 經審核
Property, plant and equipment	物業、機器及設備	177,293	73,361
Intangible assets	無形資產	41,435	2,353
Financial assets at FVOCI	以公允價值計量且變動計入 其他全面收益之金融資產	85,372	86,229
Financial assets at FVPL	以公允價值計量且變動計入 損益之金融資產	15,097	15,097
		319,197	177,040

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

(All amounts in RMB thousands unless otherwise stated)

22. RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Name 名稱	Relationship 關係
Huangguoshu Golden Leaf 黃果樹金葉	An associate indirectly held by the Company 本公司間接持有的聯營公司
Hongta Blue Eagle 紅塔藍鷹	An associate indirectly held by the Company 本公司間接持有的聯營公司
Broad Far 博遠	An associate indirectly held by the Company 本公司間接持有的聯營公司
Yunnan Ruisheng 雲南瑞升	An associate indirectly held by the Company 本公司間接持有的聯營公司
Yunnan Dianhua Benxiang Technology Co. Ltd. ("Dianhua Benxiang") 雲南滇華本香科技有限公司 (「滇華本香」)	A jointly controlled entity indirectly held by the Company 本公司間接持有的共同控制實體
Yingtian Weizhijia Food Co. Ltd. ("Weizhijia") 鷹潭味之家食品有限公司 (「味之家」)	An entity controlled by the Company's ultimate holder 本公司最終持有人控制之公司
Joy Light (HongKong) Tabacoo Limited ("Joy Light") 香港卓羿煙草有限公司 (「香港卓羿」)	An entity controlled by the Company's ultimate holder 本公司最終持有人控制之公司

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

22. 關聯方交易

(a) 關聯方名稱與關係

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

(All amounts in RMB thousands unless otherwise stated)

22. RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with related parties

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

22. 關聯方交易(續)

(b) 與關聯方的交易

		Unaudited 未經審核 For the six months ended 30 June 截至6月30日止六個月	
		2021 2021年	2020 2020年
<i>Sales of goods:</i>			
	<i>銷售貨品：</i>		
- Huangguoshu Golden Leaf	- 黃果樹金葉	1,948	5,553
- Dianhua Benxiang	- 滇華本香	4,529	9,354
- Weizhijia	- 味之家	-	27,756
- Broad Far	- 博遠	1,779	1,246
		8,256	43,909
<i>Purchase of goods and services:</i>			
	<i>購買商品及服務：</i>		
- Huangguoshu Golden Leaf	- 黃果樹金葉	11	1,094
- Yunnan Ruisheng	- 雲南瑞升	-	41
- Dianhua Benxiang	- 滇華本香	5,508	4,032
		5,519	5,167
<i>Dividend income:</i>			
	<i>股息收入：</i>		
- Hongta Blue Eagle	- 紅塔藍鷹	4,031	6,952
<i>Investment in an associate:</i>			
	<i>於聯營公司之投資：</i>		
- Broad Far	- 博遠	18,152	-

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

22. RELATED PARTY TRANSACTIONS (continued)

22. 關聯方交易(續)

(c) Balances with related parties

(c) 關聯方結餘

		As at 30 June 2021 於2021年 6月30日 Unaudited 未經審核	As at 31 December 2020 於2020年 12月31日 Audited 經審核
<i>Balance due from related parties:</i>	<i>應收關聯方結餘：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉		
– trade and other receivables	– 貿易及其他應收款	2,431	3,162
– Dianhua Benxiang	– 滇華本香		
– trade and other receivables	– 貿易及其他應收款	3,487	37,415
– Joy Light	– 香港卓羿		
– other receivables	– 其他應收款	–	749
		5,918	41,326
<i>Balance due to related parties:</i>	<i>應付關聯方結餘：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉		
– trade payables	– 貿易應付款	12	8
– Yunnan Ruisheng	– 雲南瑞升		
– trade payables	– 貿易應付款	–	47
– Dianhua Benxiang	– 滇華本香		
– trade payables	– 貿易應付款	1,259	12,705
		1,271	12,760

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

所有關聯方結餘均為無抵押、免息及須於通知時清還。

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

(All amounts in RMB thousands unless otherwise stated)

22. RELATED PARTY TRANSACTIONS (continued)

(d) Key management compensation

Key management includes directors (executive, non-executive and independent non-executive) and senior management. The amounts of compensation paid and payable to key management for employee services during the six months ended 30 June 2021 and 2020 are shown below:

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

22. 關聯方交易(續)

(d) 主要管理人員酬金

主要管理人員包括董事(執行董事、非執行董事與獨立非執行董事)和高級管理人員。截至2020年及2021年6月30日止六個月內，向主要管理人員支付作為僱員服務的已付及應付酬金如下：

		Unaudited 未經審核	
		For the six months ended	
		30 June	
		截至6月30日止六個月	
		2021	2020
		2021年	2020年
Fees, salaries and bonus	工資、薪酬及花紅	50,176	52,091
Employer's contributions to retirement benefit scheme	僱主就退休計劃供款	957	688
Share-based benefits	以股份為基礎之福利	935	-
Other Benefits	其他福利	-	750
		52,068	53,529

Glossary

詞彙

Board	The board of directors of the Company	董事會	本公司的董事會
CEO	Chief Executive Officer	首席執行官	首席執行官
CG Code	Corporate Governance Code as set out in Appendix 14 of the Listing Rules	企業管治守則	上市規則附錄十四所列的企業管治守則
China, Mainland China or PRC	The People's Republic of China	中國或國內	中華人民共和國
Company or Huabao	Huabao International Holdings Limited	本公司或華寶	華寶國際控股有限公司
Director(s)	The director(s) of the Company	董事	本公司董事
Executive Director(s)	Executive director(s) of the Company	執行董事	本公司之執行董事
FCCA	Fellow member of the Association of Chartered Certified Accountants	FCCA	英國特許公認會計師公會資深會員
FCG	Fellow member of The Chartered Governance Institute	FCG	特許公司治理公會資深會員
FCPA	Fellow member of the Hong Kong Institute of Certified Public Accountants	FCPA	資深會計師
FCPA (Aust.)	Fellow member of CPA Australia Ltd.	FCPA (Aust.)	澳洲資深註冊會計師
FCS	Fellow member of The Hong Kong Chartered Governance Institute	FCS	香港公司治理公會資深會員
Group or Huabao Group	the Company and its subsidiaries	本集團或華寶集團	本公司及其附屬公司
Guangdong Jiahao	Guangdong Jiahao Foodstuff Co., Ltd.	廣東嘉豪	廣東嘉豪食品有限公司
Guangzhou Huafang	Guangzhou Hua Fang Tobacco Flavors Co., Ltd.	廣州華芳	廣州華芳煙用香精有限公司
HKD	Hong Kong dollars, the lawful currency of Hong Kong	港幣	港幣，香港法定貨幣
HKICPA	Hong Kong Institute of Certified Public Accountants	HKICPA	香港會計師公會
Hong Kong or HKSAR	Hong Kong Special Administrative Region of the People's Republic of China	香港	中華人民共和國香港特別行政區
HNB	Heat-not-burn	加熱不燃燒	加熱不燃燒
Hunan Jishou	Hunan Jishou Minzu Materials Co., Ltd.	湖南吉首	湖南吉首市民族煙材有限公司

Glossary (cont'd)

詞彙 (續)

Huabao Flavours	Huabao Flavours & Fragrances Co., Ltd., a joint stock limited company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company	華寶股份	華寶香精股份有限公司，於中國成立的股份有限公司，為本公司間接擁有的非全資附屬公司
INED(s)	Independent Non-executive Director(s) of the Company	獨立非執行董事	本公司之獨立非執行董事
Jiahao	Jiahao Foodstuff Limited and its subsidiaries	嘉豪	嘉豪食品有限公司及其附屬公司
Listing Rules	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange	上市規則	聯交所主板證券上市規則
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules	標準守則	上市規則附錄十所列的上市發行人董事進行證券交易的標準守則
Pandemic	Novel Coronavirus Pneumonia pandemic	疫情／ 新冠肺炎疫情	新型冠狀病毒肺炎疫情
Reporting Period	the six months ended 30 June 2021	報告期	截至2021年6月30日止六個月
RMB	Renminbi, the lawful currency of the PRC	人民幣	人民幣，中國法定貨幣
R&D	Research and development	研發	研究及發展
RTL	Reconstituted Tobacco Leaves	再造煙葉	再造煙葉
SFO	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong	證券及期貨條例	香港法例第571章證券及期貨條例
STMA	State Tobacco Monopoly Administration	國煙局	國家煙草專賣局
Shareholder(s)	Shareholder(s) of the Company	股東	本公司之股東
Share(s) or ordinary share(s)	Ordinary share(s) of HKD0.10 each in the capital of the Company	股份或普通股	本公司股本中每股面值港幣0.10元的普通股
Stock Exchange	The Stock Exchange of Hong Kong Limited	聯交所	香港聯合交易所有限公司
USD	US dollars, the lawful currency of the United States of America	美元	美元，美國法定貨幣

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