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**HUABAO INTERNATIONAL HOLDINGS LIMITED**

**華寶國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00336)**

**DISCLOSEABLE TRANSACTION  
SUBSCRIPTION OF FURTHER FINANCIAL PRODUCTS**

**SUBSCRIPTION OF FURTHER FINANCIAL PRODUCTS**

The Board wishes to announce that, since the publication of the Previous Announcement, members of the Group have further subscribed for the financial products offered by XIB. As at the date of publication of this announcement and taking into account certain financial products offered by XIB that have reached maturity and the principal amounts together with interests under such financial products have been returned to relevant members of the Group, the aggregate of the outstanding investment amount of the Financial Products subscribed by members of the Group from XIB amounted to RMB837 million.

As at the date of this announcement, the Directors confirm that (i) except for the Financial Products that remain outstanding, all the other financial products acquired from XIB have been redeemed in full in accordance with their respective terms; (ii) the Group believes that reasonable interests in connection with the Financial Products would be gained; and (iii) the Financial Products would not cause any adverse impact on the financial position of the Group.

**IMPLICATIONS UNDER THE LISTING RULES**

As disclosed in the Previous Announcement and having taken into account the aggregate of the investment amount of the financial products which remained outstanding as at the date of the Previous Announcement, the Company has already complied with the requirement under Rule 14.34 of the Listing Rules regarding the subscription of the financial products by members of the Group from XIB.

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As one or more than one of the applicable percentage ratios in relation to the subscription of the Financial Products calculated on an aggregated basis pursuant to Rule 14.07 of the Listing Rules exceed 5% but all the applicable percentage ratios are less than 25%, the subscription of the Financial Products would constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and hence are subject to the notification and announcement requirements set out under Rule 14.34 of the Listing Rules.

## **SUBSCRIPTION OF FURTHER FINANCIAL PRODUCTS**

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A summary of the Financial Products subscribed by members of the Group from XIB, which remain outstanding as at the date of this announcement, is set out below:

(i)

Date of Agreement	: 1 September 2022
Parties	: (1) Lhasa Huabao (2) XIB
Product	: the capital protected structured deposit with an investment amount of RMB137 million
Approximate annual return rate	: 1.35% - 3.65%
Maturity date	: 23 November 2022
Expected interests to be received upon maturity	: RMB1,107,797.22

(ii)

Date of Agreement : 10 October 2022  
Parties : (1) Guangdong Jiahao  
(2) XIB  
Product : the capital protected structured deposit with an investment amount of RMB180 million  
Approximate annual return rate : 0.80% - 3.55%  
Maturity date : 31 October 2022  
Expected interests to be received : RMB345,000.00  
upon maturity

(iii)

Date of Agreement : 10 October 2022  
Parties : (1) Huabao Kongque  
(2) XIB  
Product : The capital protected structured deposit with an investment amount of RMB170 million  
Approximate annual return rate : 0.80% - 3.55%  
Maturity date : 31 October 2022  
Expected interests to be received : RMB325,833.33  
upon maturity

(iv)

Date of Agreement : 10 October 2022  
Parties : (1) Yingtan Huabao  
(2) XIB  
Product : The capital protected structured deposit with an investment amount of RMB350 million  
Approximate annual return rate : 0.80% - 3.55%  
Maturity date : 31 October 2022  
Expected interests to be received : RMB670,833.33  
upon maturity

## **CURRENT STATUS**

As at the date of this announcement, the Directors confirm that (i) except for the Financial Products that remain outstanding, all the other financial products acquired from XIB have been redeemed in full in accordance with their respective terms; (ii) the Group believes that reasonable interests in connection with the Financial Products would be gained; and (iii) the Financial Products would not cause any adverse impact on the financial position of the Group.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION OF THE FINANCIAL PRODUCTS**

In order to maximise the utilisation of the surplus cash balances in the capital account without affecting the operational liquidity, Guangdong Jiahao, Huabao Kongque, Yingtan Huabao and Lhasa Huabao utilised part of their bank balances to subscribe for the Financial Products offered by XIB with a view to achieving higher interest yields whilst maintaining high liquidity and relatively low risk exposure.

Taking into account of, among others, (i) the capital-protected nature of the Financial Products; (ii) the relatively low risk exposure of the Financial Products; (iii) the better expected rate of return than normal bank deposits generally offered by commercial banks in the PRC; and (iv) the relatively shorter terms to maturity, i.e. within twelve months, the Company considered that the Financial Products would provide the Group with better earnings in the long term than making normal bank deposits offered by licensed commercial banks in the PRC. The Financial Products have been closely and effectively monitored and managed by the Group.

As at the date of this announcement, the Group expected to gain interests on each of the Financial Products (the interests of which will be recorded on maturity). Further, the Financial Products were funded by the surplus cash balances of the Group and are highly liquid, therefore the investment in the Financial Products would not affect the working capital or the operation of the Group. As such, the Directors are of the view that the terms of each of the Financial Products is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER LISTING RULES**

As disclosed in the Previous Announcement and having taken into account the aggregate of the investment amount of the financial products which remained outstanding as at the date of the Previous Announcement, the Company has already complied with the requirement under Rule 14.34 of the Listing Rules regarding the subscription of the financial products by members of the Group from XIB.

Since the publication of the Previous Announcement, members of the Group have further subscribed for the Financial Products from XIB. As at the date of this announcement and taking into account certain financial products offered by XIB that have reached maturity and the principal amounts together with interests under such financial products have been returned to relevant members of the Group, the aggregate of the investment amount of the Financial Products subscribed by members of the Group from XIB which remains outstanding triggers another disclosure requirement under Rule 14.34 of the Listing Rules by the Company.

As one or more than one of the applicable percentage ratios in relation to the subscription of the Financial Products calculated on an aggregated basis pursuant to Rule 14.07 of the Listing Rules exceed 5% but all the applicable percentage ratios are less than 25%, the subscription of the Financial Products would constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and hence are subject to the notification and announcement requirements set out under Rule 14.34 of the Listing Rules.

The Company will closely monitor and review the status of the subscription of the Financial Products and will make further announcement(s) in compliance with the Listing Rules.

### **INFORMATION ON THE GROUP, GUANGDONG JIAHAO, HUABAO KONGQUE, YINGTAN HUABAO AND LHASA HUABAO**

The Group is principally engaged in the research and development, production, distribution and sales of flavours and fragrances and food ingredients, tobacco raw materials (comprising the reconstituted tobacco leaves and tobacco new materials), aroma raw materials and condiment products in the PRC.

Each of Guangdong Jiahao, Huabao Kongque, Yingtan Huabao and Lhasa Huabao are indirect non-wholly owned subsidiaries of the Company.

### **INFORMATION ON XIB**

XIB is a PRC licensed commercial bank principally engaged in banking services, whose head office is located in Xiamen, PRC. According to the publicly available information, XIB does not have any controlling shareholder (within the meaning of the Listing Rules). Its largest shareholder is 福建省福投投資有限責任公司 (Fujian Futou Investment Limited Liability Company\*), which is wholly owned by 福建省投資開發集團有限責任公司 (Fujian Investment and Development Group Limited Liability Company\*) and the actual controlling shareholder of which is the State-owned Assets Supervision and Administration Commission of the People's Government of Fujian Province.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry and based on the public information available to the Company, XIB and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors of the Company
“CNCB”	China CITIC Bank Corporation Limited
“Company”	Huabao International Holdings Limited, a company incorporated in Bermuda on 11 October 1991, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“Financial Products”	the financial products subscribed by members of the Group from XIB that remain outstanding as at the date of this announcement, details of which are set out in the section headed “SUBSCRIPTION OF FURTHER FINANCIAL PRODUCTS” of this announcement
“Group”	the Company and its subsidiaries, as appropriate and regardless of whether directly or indirectly owned
“Guangdong Jiahao”	Guangdong Jiahao Foodstuff Co., Ltd.
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Huabao Kongque”	Shanghai H&K Flavors & Fragrances Co., Ltd.
“Lhasa Huabao”	Lhasa Huabao Food Co., Ltd.
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“PRC” or “China”	the People’s Republic of China
“Previous Announcement”	the announcement published by the Company on 1 September 2022, regarding the subscription of financial products by members of the Group from CNCB and XIB
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“XIB”	Xiamen International Bank Co., Ltd.
“Yingtian Huabao”	Yingtian Huabao Flavors & Fragrances Co., Ltd.
“%”	per cent

By Order of the Board  
**Huabao International Holdings Limited**  
**POON Chiu Kwok**  
*Executive Director*

Hong Kong, 10 October 2022

*As at the date of this announcement, the Board comprises six executive directors, namely Ms. CHU Lam Yiu, Messrs. LAM Ka Yu, XIA Liqun, POON Chiu Kwok, Ms. LAM Ka Yan, and Ms. CHOY Man Har and three independent non-executive directors, namely Messrs. LEE Luk Shiu, Jonathan Jun YAN and HOU Haitao.*

*\* For identification purposes only*