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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)

ANNOUNCEMENT

Reference is made to the announcement of Huabao International Holdings Limited (the “**Company**”) published on 25 April 2012 in relation to the suspension of trading of its shares with effect from 9:00 a.m. on 25 April 2012 pending the release of an announcement which is considered to be price-sensitive in nature.

The Company is preparing a clarification in response to certain recent incorrect and misleading allegations against it in the market. For purposes of the clarification, the Company, among others, has today dispatched delegates to the respective local offices of the State Administration for Industry & Commerce of the People’s Republic of China (“**SAIC**”) to verify the financial information for the year of 2010 (i.e. for the 12 months ended 31 December 2010) of some domestic subsidiaries of the Company filed thereat, so as to be supporting documents for the clarification announcement about to be published by the Company later.

Under relevant laws, administrations, regulations and rules in the People’s Republic of China, all corporate legal entities operating businesses in the PRC are required to report their annual filing materials for the previous full year (from 1 January to 31 December) to the local offices of the SAIC, of which includes the financial statements prepared and audited under the PRC Generally Accepted Accounting Principles, where those financial statements were reported in RMB. Given that the consolidated financial statements of the Company and its subsidiaries (the “**Group**”) are prepared based on the Company’s financial year which represents the 12 months commencing from 1 April each year to 31 March of the following year, they differ from the audited financial statements of such domestic subsidiaries in terms of times and the applicable accounting standards, in addition to the Group’s consolidated financial statements were reported in HKD.

In addition, the Company, together with its auditor PricewaterhouseCoopers, drives forward the audit works for the final results of the Company and its subsidiaries for the year ended 31 March 2012. The Company plans to release the results announcement on or before 30 June 2012 pursuant to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Lastly, the Company is carrying out the clarification in response to the aforementioned incorrect and misleading allegations in an orderly manner. A separate announcement will be made once we have further progress.

Trading in the shares of the Company will continue to be suspended.

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

Hong Kong, 26 April 2012

As at the date of this announcement, the Board comprises six executive directors, namely Ms. CHU Lam Yiu (Chairman), Messrs. LAU Chi Tak (CEO), POON Chiu Kwok, WANG Guang Yu, XIA Li Qun, XIONG Qing, and three independent non-executive directors, namely Dr. JIN Lizuo, Mr. LEE Luk Shiu and Ms. MA Yun Yan.

* *For identification purposes only*