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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 FINANCIAL PRODUCTS**

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The Board wishes to announce that on 8 May 2023 (after trading hours), members of the Group have subscribed for financial products offered by XIB, and 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 each of 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**

Before the subscription of the Third Financial Product, the Fourth Financial Product, the Fifth Financial Product and the Sixth Financial Product, all of the applicable percentage ratios in relation to the First Financial Product and the Second Financial Product, whether on a standalone basis or on an aggregated basis, when calculated pursuant to Rule 14.07 of the Listing Rules are below 5%, the subscription of the First Financial Product and the Second Financial Product does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

However, after the subscription of the Third Financial Product, the Fourth Financial Product, the Fifth Financial Product and the Sixth Financial Product, 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 is subject to the notification and announcement requirements set out under Rule 14.34 of the Listing Rules.

## **SUBSCRIPTION OF FINANCIAL PRODUCTS**

The Board wishes to announce that on 8 May 2023 (after trading hours), members of the Group have subscribed for financial products offered by XIB, and the aggregate of the outstanding investment amount of the Financial Products subscribed by members of the Group from XIB amounted to RMB837 million.

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) First Financial Product**

Date of Agreement	:	4 May 2023
Parties	:	(1) Guangdong Jiahao (2) XIB
Product	:	the capital protected structured deposit with an investment amount of RMB80 million
Approximate annual return rate	:	1.35% - 3.32%
Maturity date	:	31 May 2023
Expected interests to be received upon maturity	:	RMB186,044.44

### **(ii) Second Financial Product**

Date of Agreement	:	4 May 2023
Parties	:	(1) Jiahao Marketing (2) XIB
Product	:	the capital protected structured deposit with an investment amount of RMB90 million
Approximate annual return rate	:	1.35% - 3.32%
Maturity date	:	31 May 2023
Expected interests to be received upon maturity	:	RMB209,300.00

(iii) Third Financial Product

Date of Agreement	:	8 May 2023
Parties	:	(1) Huabao Flavours (2) XIB
Product	:	The capital protected structured deposit with an investment amount of RMB232 million
Approximate annual return rate	:	1.35% - 3.32%
Maturity date	:	31 May 2023
Expected interests to be received upon maturity	:	RMB456,524.44

(iv) Fourth Financial Product

Date of Agreement	:	8 May 2023
Parties	:	(1) Huabao Kongque (2) XIB
Product	:	The capital protected structured deposit with an investment amount of RMB235 million
Approximate annual return rate	:	1.35% - 3.32%
Maturity date	:	31 May 2023
Expected interests to be received upon maturity	:	RMB462,427.78

(v) Fifth Financial Product

Date of Agreement	:	8 May 2023
Parties	:	(1) Lhasa Huabao (2) XIB
Product	:	The capital protected structured deposit with an investment amount of RMB140 million
Approximate annual return rate	:	1.35% - 3.32%
Maturity date	:	31 May 2023
Expected interests to be received upon maturity	:	RMB275,488.89

(vi) Sixth Financial Product

Date of Agreement	:	8 May 2023
Parties	:	(1) Yingtan Huabao (2) XIB
Product	:	The capital protected structured deposit with an investment amount of RMB60 million
Approximate annual return rate	:	1.35% - 3.32%
Maturity date	:	31 May 2023
Expected interests to be received upon maturity	:	RMB118,066.67

**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 each of 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, Huabao Flavours, Guangdong Jiahao, Jiahao Marketing, Huabao Kongque, Lhasa Huabao and Yingtan 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 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER LISTING RULES**

Before the subscription of the Third Financial Product, the Fourth Financial Product, the Fifth Financial Product and the Sixth Financial Product, all of the applicable percentage ratios in relation to the First Financial Product and the Second Financial Product, whether on a standalone basis or on an aggregated basis, when calculated pursuant to Rule 14.07 of the Listing Rules are below 5%, the subscription of the First Financial Product and the Second Financial Product does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

However, after the subscription of the Third Financial Product, the Fourth Financial Product, the Fifth Financial Product and the Sixth Financial Product, 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 of XIB and will make further announcement(s) in compliance with the Listing Rules.

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

Huabao Flavours is an indirect non-wholly owned subsidiary of the Company, the shares of which are listed on the ChiNext Market of Shenzhen Stock Exchange (Stock Code: 300741). Huabao Flavours is principally engaged in the research and development, production and sales of flavours and fragrances and food ingredients in the PRC.

Jiahao Marketing is wholly owned by Guangdong Jiahao which in turn is an indirect non-wholly owned subsidiary of the Company and each of Huabao Kongque, Lhasa Huabao and Yingtan Huabao are wholly owned by Huabao Flavours and are indirect non-wholly owned subsidiaries of the Company.

## **INFORMATION ON XIB**

To the best of the Directors' knowledge, XIB is a PRC licensed commercial bank principally engaged in banking services, whose head office is located in Xiamen, the 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.

Regarding the above, 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, each of 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
“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
“Fifth Financial Product”	the capital protected structured deposit with an investment amount of RMB140 million pursuant to a subscription agreement entered into between Lhasa Huabao and XIB dated 8 May 2023
“Financial Products”	Collectively, the First Financial Product, the Second Financial Product, the Third Financial Product, the Fourth Financial Product, the Fifth Financial Product and the Sixth Financial Product
“First Financial Product”	the capital protected structured deposit with an investment amount of RMB80 million pursuant to a subscription agreement entered into between Guangdong Jiahao and XIB dated 4 May 2023
“Fourth Financial Product”	the capital protected structured deposit with an investment amount of RMB235 million pursuant to a subscription agreement entered into between Huabao Kongque and XIB dated 8 May 2023

“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 Flavours”	Huabao Flavours & Fragrances Co., Ltd.
“Huabao Kongque”	Shanghai H&K Flavors & Fragrances Co., Ltd.
“Jiahao Marketing”	Guangdong Jiahao Marketing 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
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Second Financial Product”	the capital protected structured deposit with an investment amount of RMB90 million pursuant to a subscription agreement entered into between Jiahao Marketing and XIB dated 4 May 2023
“Sixth Financial Product”	the capital protected structured deposit with an investment amount of RMB60 million pursuant to a subscription agreement entered into between Yingtan Huabao and XIB dated 8 May 2023
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“Third Financial Product”	the capital protected structured deposit with an investment amount of RMB232 million pursuant to a subscription agreement entered into between Huabao Flavours and XIB dated 8 May 2023
“XIB”	Xiamen International Bank Co., Ltd.
“Yingtan Huabao”	Yingtan Huabao Flavors & Fragrances Co., Ltd.

“0%”

per cent

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

Hong Kong, 8 May 2023

*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*