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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)

INSIDE INFORMATION

PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS FOR THE THREE MONTHS ENDED 31 MARCH 2024 OF HUABAO FLAVOURS & FRAGRANCES CO., LTD.

This announcement is made by Huabao International Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Huabao Flavours & Fragrances Co., Ltd. (“**Huabao Flavours**”) is a subsidiary of the Company and its shares are listed on the ChiNext Market of Shenzhen Stock Exchange (Stock Code: 300741). In compliance with the relevant applicable regulations of Shenzhen Stock Exchange, Huabao Flavours published its First Quarterly Report for the three months ended 31 March 2024 on 24 April 2024 on the information disclosure webpage (巨潮資訊網) of the ChiNext Market of Shenzhen Stock Exchange at www.cninfo.com.cn.

The board of directors of the Company would like to draw the attention of its shareholders and public investors to the appendices of this announcement (the “**Appendices**”) which set out the principal accounting data and financial indicators of Huabao Flavours prepared in accordance with the PRC Accounting Standard for Business Enterprises for the three months ended 31 March 2024.

Please note that the information in the Appendices is an extract of the financial statements prepared by Huabao Flavours in Chinese language. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

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

Hong Kong, 24 April 2024

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 Mr. LEE Luk Shiu, Mr. Jonathan Jun YAN and HOU Haitao.

** For identification purposes only*

APPENDIX I
PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS OF HUABAO FLAVOURS & FRAGRANCES CO., LTD.

Principal accounting data and financial indicators

Unit: RMB (Yuan)

	Current reporting period	Corresponding period last year	Increase/decrease of the current reporting period compared to the corresponding period last year
Revenue	332,365,337	341,849,030	-2.77%
Net profit attributable to Huabao Flavours' shareholders	76,777,132	102,868,142	-25.36%
Net profit attributable to Huabao Flavours' shareholders exclude non-recurring items	45,698,000	80,399,836	-43.16%
Net cash flow arising from operating activities	6,892,915	147,432,871	-95.32%
Basic earnings per share (RMB/share)	0.12	0.17	-29.41%
Diluted earnings per share (RMB/share)	0.12	0.17	-29.41%
Weighted average return on net assets	1.06%	1.34%	-0.28%
	End of the current reporting period	End of last year	Increase/decrease of the end of the current reporting period compared to the end of last year
Total assets	8,203,831,077	8,235,526,420	-0.38%
Owner's equity attributable to Huabao Flavours' shareholders	7,280,011,952	7,187,556,312	1.29%

Non-recurring gain/ loss items and amounts

Unit: RMB (Yuan)

Items	Amount for the current reporting period	Explanations
Gain/loss from disposal of non-current assets, including the portion offset from the provision for impairment of assets	-13,176	-
Government grants recognized in profit and loss of current period (excluding those closely related to the Company's normal operation granted under the State's policies, enjoyed in accordance with determined standards and have a continuously impact on the company's profits and losses)	27,977,864	-
Investment gain/loss arising from changes in fair value of the financial assets and financial liabilities held by non-financial enterprises; and the disposal gain/loss of financial assets and financial liabilities; except those arising from the effective hedging business related to the Company's normal operation	11,514,175	-
Non-operating income and expenses other than the above items	-100,325	-
Less: Income tax impact	6,443,350	-
Minority interest impact (after tax)	1,856,056	-
Total	31,079,132	-

APPENDIX II
CHANGES IN PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS DURING THE
REPORTING PERIOD OF HUABAO FLAVOURS & FRAGRANCES CO., LTD.

1. Changes in significant items in Balance Sheet and Reasons for Changes

Unit: RMB (Ten Thousand Yuan)

Items	Amount for the end of current reporting period	Amount for the beginning	Percentage Change	Reasons
Prepayments	2,069.53	1,445.86	43.13%	Mainly due to increase in prepayments for raw materials in the current period
Other current assets	3,423.64	4,944.96	-30.77%	Mainly due to decrease in input tax pending for deduction in the current period
Construction in progress	2,950.50	1,802.39	63.70%	Mainly due to the investment in new construction and engineering renovation projects in the current period
Employee compensation payable	2,382.35	5,280.69	-54.89%	Mainly due to the current period's payment of annual performance bonuses accrued at the end of the previous year
Taxes payable	9,758.75	15,055.80	-35.18%	Mainly due to the income tax payable at the beginning of the period being paid in the current period
Other current liabilities	995.43	1,615.03	-38.36%	Mainly due to decrease in output tax pending for transfer

2. Changes in significant items in Income Statement and Reasons for Changes

Unit: RMB (Ten Thousand Yuan)

Items	Amount for the current reporting period	Amount for the corresponding period last year	Percentage Change	Reasons
Management expenses	5,797.26	4,305.79	34.64%	Mainly due to the provision of share incentive expenses in the current period
Financial expenses	-140.38	-1,319.04	-89.36%	Mainly due to the increase in bank structured deposits and the decrease in time deposits during the current period, resulting in a decrease in interest income
Other income	3,018.15	2,008.73	50.25%	Mainly due to the increase in government subsidies received during the period
Income from changes in fair value	1,058.29	644.35	64.24%	Mainly due to the increase in bank structured deposit income in the current period
Credit impairment loss (losses are listed with "-")	-53.89	-94.11	-42.74%	Mainly due to the decrease in bad debt provisions for accounts receivable in the current period
Assets disposal income	-	23.51	-100.00%	Mainly due to the decrease in income from disposal of non-current assets in the current period
Operating expenses	13.39	31.12	-56.97%	Mainly due to the decrease in losses from scrapping of non-current assets in the current period

3. Changes in significant items in Cash Flow Statement and Reasons for Changes

Unit: RMB (Ten Thousand Yuan)

Items	Amount for the current reporting period	Amount for the corresponding period last year	Percentage Change	Reasons
Other cash payments related to operating activities	2,023.73	1,098.30	84.26%	Mainly due to the increase in market development fees, consulting service fees and deposits paid in the current period
Net cash flow from operating activities	689.29	14,743.29	-95.32%	Mainly due to the decrease in the balance of accounts receivable at the beginning of the period and the corresponding decrease in the amount collected in the current period
Cash received from investment income	2,490.29	1,367.28	82.13%	Mainly due to the increase in the maturity income of bank structured deposits in the current period
Net cash received from disposal of subsidiaries and other business units	-	1,000.00	-100.00%	Mainly due to the disposal of associates in the previous period
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	1,843.47	3,377.36	-45.42%	Mainly due to the decrease in investment in new project construction and engineering renovation in the current period
Cash paid for Investment	204,800.00	299,100.00	-31.53%	Mainly due to the decrease in bank structured deposits purchased during the current period
Net cash flows from investing activities	16,146.82	1,989.91	711.43%	Mainly due to the increase in the net inflow of funds generated by the company's current bank structured deposit purchases and maturity recovery
Cash received from loans	1,000.00	8,000.00	-87.50%	Mainly due to the decrease in new bank loans in the current period
Other cash received related to financing activities	-	6,000.00	-100.00%	Mainly due to the recovery of bill deposit in the previous period
Cash paid to repay debt	4,400.00	40,909.83	-89.24%	Mainly due to the decrease in repayment of bank borrowings in the current period
Net cash flow from financing activities	-3,695.82	-27,243.77	-86.43%	Mainly due to the company's current bank loans being repaid in the current period when due, the amount of new loans falling, and the net inflow increasing
Effect of the changes of the exchange rate on cash and the equivalents	-38.69	527.80	-107.33%	Mainly due to the decrease in Hong Kong dollar exchange rate fluctuations in the current period