

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



HUABAO INTERNATIONAL HOLDINGS LIMITED

華寶國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00336)

PROFIT WARNING

This announcement is made by Huabao International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company wishes to inform shareholders (the “**Shareholders**”) and potential investors of the Company that, based on a preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2024 (the “**Year**”) and other information currently available to the Board, the Group is expected to record a loss before tax of approximately RMB305 million to RMB455 million including impairment on goodwill and other assets and other provisions (the “**Impairment and Provision**”) which are non-cash expenses for the Year, whereas the Group recorded profit before tax of approximately RMB416 million for the corresponding period last year.

The loss before tax for the Year was primarily due to: 1) an impairment loss on goodwill of the tobacco flavors assets (“**Tobacco Flavors**”) of the flavours and fragrances, and food ingredients business segment which will range from approximately RMB480 million to RMB530 million; 2) impairment of other goodwill (including reconstituted tobacco leaves) and assets which will range from RMB274 million to RMB374 million; 3) share-based employee expenses of subsidiaries of approximately RMB48 million; and 4) fair value changes as a result of the reclassification of an investment to assets held for sales of approximately RMB48 million.

The primary reasons for the impairment loss of the Tobacco Flavors mentioned above are that the Group has noticed that changes in demand from major customers in the Tobacco Flavor industry, adjustments in procurement policies and self-developed flavours. These factors have led to a decrease in revenue. Based on the applicable accounting principles on a prudent basis, the Group has adopted a conservative forecast of the future sales of the Tobacco Flavors, resulting in the aforementioned goodwill impairment estimate.

The Company is currently conducting a routine annual assessment, including, for impairment on goodwill and other assets and changes in fair value of financial assets as of 31 December 2024. Should there be any further material impact on the estimated profit or loss of the Company, further announcement(s) will be made.

Annual Results for the year ended 31 December 2024 to be published by end of March 2025

The Company is still in the process of finalising the consolidated financial statements of the Group for the year ended 31 December 2024. The information contained in this announcement is only based on a preliminary assessment made by the Board with reference to the Group's unaudited consolidated management accounts for the Year and other information currently available, which may be subject to change upon further review. Shareholders and potential investors of the Company are advised to refer to the details in the annual results announcement of the Company for the year ended 31 December 2024 which is expected to be published before end of March 2025.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company, avoid undue reliance on such information, and to seek professional advice from their own professional or financial advisers when in doubt.

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

Hong Kong, 24 January 2025

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*