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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)

CONTINUING CONNECTED TRANSACTIONS

TRANSACTIONS WITH BROAD FAR GROUP

Since the term of the Previous Framework Agreement has expired on 31 December 2025 and to cater for the Group's ongoing business needs, Chemactive entered into the Framework Agreement with Broad Far on 30 January 2026. Under the Framework Agreement, Chemactive and its subsidiaries shall provide tobacco related raw materials and related services to Broad Far Group on an on-going basis for a period commencing on 1 January 2026 through 31 December 2028 (both days inclusive). Through the sale of the Group's tobacco related raw materials contemplated under the Framework Agreement, it is expected that the Group can continue expanding its customer base and product application beyond the PRC and enhance its revenue.

Chemactive is a wholly owned subsidiary of the Company, while Broad Far is ultimately controlled and beneficially owned by Madam Chu and is therefore an associate of a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Framework Agreement constitute continuing connected transactions of the Company and are subject to the reporting, announcement and annual review requirements and, where applicable, the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

IMPLICATIONS UNDER THE LISTING RULES

Since one or more of the applicable Percentage Ratios (other than the profits ratio) calculated with reference to the Annual Caps, exceed 0.1% but are less than 5%, the Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements, but are exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the Company's announcement dated 11 February 2025, regarding the entry into the Previous Framework Agreement and the transactions contemplated thereunder between the Group and Broad Far Group.

Since the term of the Previous Framework Agreement has expired on 31 December 2025 and to cater for the Group's ongoing business needs, Chemactive entered into the Framework Agreement with Broad Far on 30 January 2026. Under the Framework Agreement, Chemactive and its subsidiaries shall provide tobacco related raw materials and related services to Broad Far Group on an on-going basis for a period commencing on 1 January 2026 through 31 December 2028 (both days inclusive).

RELATIONSHIP BETWEEN THE PARTIES

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 new materials products applicable to tobacco industry), aroma raw materials and condiment products in the PRC.

Broad Far is a company established in the British Virgin Islands and as at the date of this announcement, Ms. LAM Ka Yan, an executive Director, the daughter of Madam Chu and the sister of Mr. LAM Ka Yu (the co-chairman and executive Director), is a director of Broad Far Hong Kong. Broad Far Hong Kong is a company in which the Group owns approximately 21.43% interest. Broad Far Hong Kong is a non-wholly owned subsidiary of Broad Far. Broad Far Group is principally engaged in the production and sales of innovative consumer products in markets outside China.

Broad Far is ultimately controlled and beneficially owned by Madam Chu and is therefore an associate of a connected person of the Company under the Listing Rules. Accordingly, transactions between the Group and Broad Far Group constitute connected transactions of the Company under the Listing Rules.

FRAMEWORK AGREEMENT

On 30 January 2026, Chemactive entered into the Framework Agreement with Broad Far, the principal terms of which are set out below:

Date:	30 January 2026
Parties:	(i) Chemactive (ii) Broad Far
Subject Matter:	Provision of tobacco related raw materials and related services by Chemactive and its subsidiaries to Broad Far Group.
Term:	Three years from 1 January 2026 to 31 December 2028 (both days inclusive).

Basis of pricing:	Implementation of the prevailing market prices, i.e. prices and terms payable to Chemactive and its subsidiaries shall be no less favourable than those terms offered by independent third party customers for similar products and services in the ordinary and usual course of business, having made reference to the applicable Incoterms (being mainly the Incoterms in relation to payment time and delivery arrangements such as CIF and DAP) that are consistent with industry practice in general. Enquiry processes will be conducted by making reference to other transactions with independent third parties for similar products and services to determine if the prices and terms offered by Broad Far Group are on normal commercial terms and are fair and reasonable and comparable to those offered by independent third parties, if applicable.
Payment terms:	Payments of the transactions will be settled in arrears by cash transfer, or such other manners as agreed by the parties in accordance with the agreed timing and manners as specified in the separate implementation agreements to be entered into between the parties from time to time.

ANNUAL CAPS AND THE DETERMINATION BASIS

The Company has implemented internal controls over the sales transactions relating to the provision of tobacco related raw materials and related services between Chemactive and its subsidiaries and Broad Far Group. The aggregate of the actual transaction amount under the Previous Framework Agreement for the year ended 31 December 2025 was approximately RMB9.86 million (unaudited), representing approximately 82.2% of the annual cap of RMB12.0 million. The transaction amounts did not exceed the annual caps for the financial year ended 31 December 2025.

From 1 January 2026 to the date of this announcement, the actual amount of the continuing connected transactions between Chemactive and its subsidiaries and Broad Far Group is approximately RMB2.58 million and none of the applicable Percentage Ratios (other than the profits ratio) calculated based on this amount exceeds 0.1% and as such, these transactions are exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company estimates that the Annual Caps for the three financial years ending 31 December 2026, 2027 and 2028 will not exceed RMB24.0 million, RMB26.0 million and RMB27.0 million respectively.

In determining the Annual Caps, the Company has taken into account a number of factors, including the historical transaction amounts, the Group's estimates of the growth of such tobacco related raw materials and related services for next three years, the projected demand for the Group's tobacco related products and services in accordance with the Group's operation scale (i.e. from currently approximately 68 metric tons to approximately 170 metric tons by the end of 2028), future business development with reference to the prevailing market conditions and purchase indications from customer. In particular, apart from the expected double-digit growth in existing orders, customers have significantly increased their production capacity in 2026 and are expected to launch new products in 2026, and hence approximately additional 30% increase in demand for the Group is expected.

REASONS FOR AND BENEFIT OF ENTERING INTO THE FRAMEWORK AGREEMENT

In order to achieve reasonable use of the Group's resources, the Group entered into the Framework Agreement with Broad Far, a company controlled and beneficially owned by the controlling shareholder of the Group, for the sale of the Group's tobacco related raw materials to Broad Far Group. Broad Far Group is primarily engaged in the production and sales of innovative consumer products outside of PRC. The production and sales of such innovative consumer products are subject to various operational and market competition risks and uncertainties. Through the sale of the Group's tobacco related raw materials contemplated under the Framework Agreement to Board Far Group, it is expected that the Group can further expand its customer base and product application outside of PRC and enhance its revenue.

INTERNAL CONTROL MEASURES

The continuing connected transactions with customers as aforesaid have been and will continue to be conducted on a non-exclusive basis. Payment terms are basically market-driven according to the prevailing market conditions. Nonetheless, the Group will conduct enquiry processes by which the Group will reference transactions with independent third parties for similar products and services and comparing the pricing terms for the transactions with those with connected persons to ensure that the prices and terms offered by Broad Far Group are on normal commercial terms and are fair and reasonable and comparable to those offered by independent third parties, if applicable.

In addition, the Group will continue to adopt the following internal control measures regarding the continuing connected transactions:

(i) The Group will conduct regular checks to review and assess whether the transactions are conducted in accordance with the terms of the Framework Agreement.

(ii) The external auditors of the Company will conduct a year-end audit for each financial year and will issue their opinion to the Board in relation to the pricing policies and annual cap of the continuing connected transactions of the Company conducted during the financial year pursuant to the Listing Rules.

(iii) The independent non-executive Directors of the Company will conduct an annual review with respect to the continuing connected transactions of the Company and the related internal control procedures throughout the financial year and confirm the transaction amounts and terms of the continuing connected transactions in the annual report of the Company.

(iv) The Company's internal audit department shall conduct regular internal assessments in order to ensure that the internal control measures in respect of the connected transactions remain complete and effective.

BOARD CONFIRMATION

The Directors (including all the independent non-executive Directors of the Company) are of the opinion that the Framework Agreement was entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms (on an arm's length basis) or better or on terms no less favourable than those offered by the Group to independent third party for similar products and services in its ordinary and usual course of business; and (iii) that the terms of the Framework Agreement (including the Annual Caps) are fair and reasonable. The Directors (including all the independent non-executive Directors of the Company) are of the view that the continuing connected transactions contemplated under the Framework Agreement are in the interests of the Company and its Shareholders as a whole.

Madam Chu, Mr. LAM Ka Yu (son of Madam Chu) and Ms. LAM Ka Yan (daughter of Madam Chu), each of whom is deemed to have a material interest in the transactions contemplated under the Framework Agreement, have abstained from voting on the relevant resolution in respect of the Framework Agreement and the transactions contemplated thereunder. Save for Madam Chu, Mr. LAM Ka Yu and Ms. LAM Ka Yan, none of the other Directors has any material interest in the Framework Agreement that would require abstention from voting on the Board resolution in relation thereto.

IMPLICATIONS UNDER THE LISTING RULES

Since one or more of the applicable Percentage Ratios (other than the profits ratio) calculated with reference to the Annual Caps, exceed 0.1% but are less than 5%, the Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements, but are exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

"Annual Caps"	the aggregate transaction amount for the continuing connected transactions contemplated under the Framework Agreement for the financial year ending 31 December 2026, 2027 and 2028
"associate(s)"	has the meaning ascribed to it in the Listing Rules
"Board"	the board of Directors of the Company
"Broad Far"	Broad Far Limited, a company incorporated in the British Virgin Islands with limited liability on 28 April 2011
"Broad Far Group"	Broad Far and its subsidiaries and related companies
"Broad Far Hong Kong"	Broad Far (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability

"Chemactive"	Chemactive Investments Limited, a company incorporated in the British Virgin Islands with limited liability on 6 April 2006 and a wholly owned subsidiary of the Company
"CIF"	cost, insurance and freight
"Company"	Huabao International Holdings Limited, a company incorporated in Bermuda with limited liability 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
"DAP"	delivered at place
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries, as appropriate and regardless of whether directly or indirectly owned
"Framework Agreement"	the framework agreement entered into between Chemactive and Broad Far on 30 January 2026 in relation to the provision of tobacco related raw materials and related services by Chemactive and its subsidiaries to Broad Far Group
"Hong Kong" or "HK"	Hong Kong Special Administrative Region of the PRC
"Incoterms"	the international commercial terms, a series of pre-defined commercial terms published by the International Chamber of Commerce widely used in international commercial transactions
"Listing Rules"	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
"Madam Chu"	Ms. CHU Lam Yiu, an executive Director and the Chairlady of the Company. As at the date of this announcement, Madam Chu, through companies wholly owned by her, indirectly holds an aggregate of 2,196,511,094 Shares of the Company, representing approximately 68.0% of the total issued shares of the Company
"Percentage Ratio(s)"	has the same meaning ascribed thereto under the Listing Rules
"Previous Framework Agreement"	the framework agreement entered into between Chemactive and Broad Far on 11 February 2025 in relation to the provision of tobacco related raw materials and related services by Chemactive and its subsidiaries to Broad Far Group
"PRC" or "China"	the People's Republic of China

"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"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
"%"	Percent

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

Hong Kong, 30 January 2026

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*