HUABAO INTERNATIONAL HOLDINGS LIMITED
華寶國際控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 00336)

ANNOUNCEMENT IN RELATION TO PROGRESS ON PROFITS GUARANTEE LITIGATION OF SHANGHAI YIFANG

This announcement is made by Huabao International Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 14.36B(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

References are made to the Company's announcements dated 8 March 2022, 9 August 2023, 11 March 2024, 8 October 2024, 4 November 2024 and 26 February 2025 (collectively, the "**Announcements**") respectively. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings ascribed thereto in the Announcements.

As disclosed in the Announcements, on 8 March 2022, Huabao Flavours & Fragrances Co., Ltd. ("**Huabao Flavours**"), a non-wholly owned subsidiary of the Company whose shares are listed on the ChiNext Market of Shenzhen Stock Exchange (Stock Code: 300741), entered into the Share Transfer Agreement with Keli Enterprise, Qian Rong (錢戎), Wong Kam Wing (黃錦榮) and other related parties. Pursuant to the Share Transfer Agreement, among others, (i) Huabao Flavours agreed to further acquire 27% equity interests in Shanghai Yifang Rural Technology Holdings Co. Ltd. (上海奕方農業科技股份有限公司) ("**Shanghai Yifang**"); (ii) Huabao Flavours, Qian Rong and Wong Kam Wing are obligated to fulfill their respective capital increase commitments as scheduled in proportion to their respective shareholdings in Shanghai Yifang; and (iii) Qian Rong and Wong Kam Wing agreed to undertake the performance undertaking and corresponding compensation obligations in respect of relevant transactions in favor of Huabao Flavours. As Qian Rong and Wong Kam Wing failed to fulfill their capital increase obligations, and during the Performance Undertaking Period, the actual operational performance of Shanghai Yifang failed to meet the relevant performance target as undertaken by Qian Rong and Wong Kam Wing, Huabao Flavours thereby initiated an Arbitration at China International Economic and Trade Arbitration Commission (Shanghai International Arbitration Center) (the "**Arbitration Center**").

On 11 February 2026, Huabao Flavours received the arbitration award (SHIAC (2024) No. 3386) (the "**Arbitration Award**") issued by the Arbitration Center, the key rulings of which are as follows:

(I) Qian Rong and Wong Kam Wing (hereinafter referred to as the "**First Respondent**" and the "**Second Respondent**", respectively) shall pay Huabao Flavours the amount of RMB14,218,947.16 for losses incurred by Huabao Flavours due to their failure to make capital increase as scheduled;

(II) The First Respondent and the Second Respondent shall pay Huabao Flavours the amount of RMB432,016,325.22 as performance compensation;

(III) The First Respondent and the Second Respondent shall pay Huabao Flavours the legal fees in the amount of RMB1,166,000;

(IV) The First Respondent and the Second Respondent shall pay Huabao Flavours the asset preservation fees in the amount of RMB5,000;

(V) The First Respondent and the Second Respondent shall pay Huabao Flavours the asset preservation guarantee fees in the amount of RMB14,205;

(VI) The arbitration fees for the case shall be RMB4,498,951, of which RMB1,349,685.30 shall be borne by Huabao Flavours, and RMB3,149,265.70 shall be borne jointly by the Respondents. Given that Huabao Flavours has prepaid the arbitration fees for the case in full, the Respondents shall pay Huabao Flavours the arbitration fee in the amount of RMB3,149,265.70.

The amount that the Respondents should pay to Huabao Flavours as determined in the above arbitration (I), (II), (III), (IV), (V) and (VI) shall be paid within 30 days from the effective date of this arbitration.

The Arbitration Award shall be the final with effect from the date of issuance.

Given the uncertainties regarding the performance and enforcement of the above arbitration rulings, Huabao Flavours will continue to monitor the progress of the case. The aforementioned award has no material adverse effect on the normal operations and financial condition of Huabao Flavours. Huabao Flavours will make corresponding accounting treatments in accordance with relevant accounting standards and actual circumstances. The final impact on Huabao Flavours' profit or loss shall be subject to the annual audit conducted by the accountant.

In compliance with the relevant regulations of the Shenzhen Stock Exchange, Huabao Flavours has published the "Announcement in relation to the progress on acquisition of partial equity interests of Shanghai Yifang" on http://www.cninfo.com.cn, the information disclosure website (巨潮資訊網) of the ChiNext Market of the Shenzhen Stock Exchange on 12 February 2026.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 12 February 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*