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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)

ADJUSTMENT OF THE INVESTMENT PLAN PROGRESS FOR PROJECTS RELATED TO THE USE OF PROCEEDS BY A SUBSIDIARY

In 2018, Huabao Flavours & Fragrances Co., Ltd. ("**Huabao Flavours**"), a subsidiary of Huabao International Holdings Limited (the "**Company**"), completed its initial public offering ("**IPO**"), raising gross proceeds of approximately RMB2,377 million. After deducting issuance expenses, the net proceeds amounted to approximately RMB2,312 million. Huabao Flavours was successfully listed on the ChiNext Market of the Shenzhen Stock Exchange (Stock Code: 300741).

As of 31 December 2024, the balance of unutilised net proceeds, amounting to approximately RMB1,360.57 million, and the accumulated interest and cash management income, amounting to approximately RMB331.39 million, were brought forward to the financial year 2025. As of 31 December 2025, Huabao Flavours had utilised approximately RMB957.26 million, representing approximately 41.41% of the net proceeds, with details as follows:

Use of IPO proceeds	Proceeds allocated at the IPO	Proceeds allocated after the previous change	Unutilised proceeds as of 31 December 2024	Actual utilised during the year ended 31 December 2025	Unutilised proceeds as of 31 December 2025
	(RMB millions)	(RMB millions)	(RMB millions)	(RMB millions)	(RMB millions)
Huabao Technology Innovation Center and Supporting Facilities Project ("**Huabao TechInno Project**") (1)	-	449.9742	439.82	1.93	437.89
Huabao Digital Transformation Project ("**Huabao Digital Project**") (2)	-	60.00	31.19	4.07	27.12
Special account for the unutilised proceeds ("**Special Account**") (3)	N/A	889.56	889.56	-	889.56
Total			1,360.57	6.00	1,354.57

Notes：

1) The Huabao TechInno Project aims to build a new science and technology innovation center for research on food flavours, tobacco flavours and new tobacco materials, etc, as well as a talent apartment building to provide residential support for recruited talent. The expected investment amount for the project was RMB449.9742 million, with proceeds transferred from the Lhasa Pure Land Healthy Food Project ("**Huabao Lhasa Project**") and Huabao H&K Food Flavours and Food Technology Development Project, initially expected to be fully utilised on or before 31 December 2022, with the timeline postponed to 31 December 2025 in 2022. At the board meeting of Huabao Flavours held on 30 March 2023, the expected date for full utilisation of the proceeds was delayed to 31 December 2026. At the board meeting of Huabao Flavours held on 26 March 2024, the expected date was postponed to 31 December 2027. At the board meeting of Huabao Flavours held on 28 March 2025, the expected date was postponed to 30 June 2029. At the board meeting of Huabao Flavours held on 20 March 2026, the expected date was postponed to 31 December 2030.
2) The Huabao Digital Project aims to build an integrated service platform through digital transformation, which includes three parts: application front-end, capability middle-end, and basic backend, to realise the digital transformation of enterprises and improve operational efficiency. The expected investment amount for the project was RMB60.00 million, which was transferred from the Huabao Lhasa Project in 2022, with full utilisation expected on or before 31 December 2023. At the board meeting of Huabao Flavours held on 25 March 2022, the expected date for full utilisation of the proceeds was delayed to 31 December 2024. At the board meeting of Huabao Flavours held on 26 March 2024, the expected date for full utilisation of the proceeds was delayed to 31 December 2026. At the board meeting of Huabao Flavours held on 20 March 2026, the expected date was postponed to 31 December 2028.
3) According to Article 7 of the Rules on the Supervision of Funds Raised by Listed Companies (《上市公司募集資金監管規則》), the special account is designated solely for the deposit of proceeds and shall not be used for funds other than proceeds or for any other purposes. Pursuant to Article 8, the proceeds shall be utilised in accordance with the intended use set out in the prospectus or other public offering documents. Any change in the use of proceeds by a listed company must be approved by a resolution of the general meeting of shareholders. Article 11 stipulates that the proceeds which are temporarily idle may be used for cash management. As of 31 December 2025, the balance of Special Account mainly consisted of special funds that have not yet been allocated following the termination of certain projects. Huabao Flavours will, in accordance with the Rules on the Supervision of Funds Raised by Listed Companies (《上市公司募集資金監管規則》), submit any new fund raising projects to the shareholders'meeting of Huabao Flavours for approval including, but not limited to, the amount of the projects and the timeline for the use of the funds thereof, after a decision has been made by the board of directors of Huabao Flavours.

INVESTMENT PLAN PROGRESS ADJUSTMENT OF PROJECTS RELATED TO THE USE OF PROCEEDS - HUABAO TECHINNO PROJECT

Huabao Flavours held the 24th meeting of the 3rd session of its board of directors on 20 March 2026. During the meeting, Huabao Flavours reviewed and approved the "Proposal for Adjusting the Investment Plan Progress of Projects Related to the Use of Proceeds" and agreed to revise the investment plan progress for Huabao TechInno Project and Huabao Digital Project. This proposal does not involve any changes to the intended use of proceeds and does not require submission to Huabao Flavours' shareholders' meeting for approval.

Huabao TechInno Project

The original expected investment amount for the Huabao TechInno Project was RMB449.9742 million. The required land designation is required to be changed from industrial land to research and development land. The land-use conversion for the Company's self-owned plot has been completed, and the relevant land acquisition and storage processes have also been finalised. The procedures for land-use approval and subsequent matters are currently underway. At present, the supplementary contract for the self-owned land and the combined overall land-use contract are being drafted by the relevant government authorities. Subsequent work on project construction can only commence once the land contract has been formally signed. However, the drafting and signing of the land contract are running behind schedule. In view of the actual progress of land development for project commencement, Huabao Flavours, after comprehensive evaluation, plans to adjust the annual investment schedule for the Huabao TechInno Project. The target date for the project to reach its intended operational status will be revised from 30 June 2029 to 31 December 2030.

Huabao Digital Project

The Huabao Digital Project aims to build an integrated service platform through digital transformation, which includes three parts: application front-end, capability middle-end, and basic backend, to realise the digital transformation of enterprises and improve operational efficiency. During the project implementation, AI technologies represented by generative AI and large language models have achieved breakthrough development and rapid iteration, profoundly impacting the technological architecture, application design, implementation and R&D models of Huabao Flavours's digital transformation. As a result, the planning and implementation of its original technologies requires corresponding optimisation and adaptation. To transform the potential of cutting-edge technologies into tangible business value, Huabao Flavours has conducted in-depth evaluation and reconstruction of the integration and application of AI capabilities within the project. At the same time, to closely align with the business development needs of Huabao Flavours, it has optimised and adjusted the application-layer functional planning and management back-end architecture, redefined the overall plan implementation and further enhanced the precision of resource allocation to avoid premature or ineffective investments, ensuring that the project outcomes the project outcomes play a promoting role in the strategy and value creation of Huabao Flavours.

Due to these proactive adjustments—driven by strategic alignment, business adaptation, and technical optimisation—the original project timeline has been affected. To ensure that the project's final deliverables are fully aligned with the Huabao Flavours' development needs and to maximise investment efficiency, after careful consideration, Huabao Flavours plans to adjust the project's annual investment schedule. The target completion date for the project to reach its intended operational status has been revised from 31 December 2026 to 31 December 2028.

The board of directors of the Company (the "**Board**") considers that adjustments to the investment schedules of the Huabao TechInno Project and the Huabao Digital Project will not have any material adverse impact on the existing business and operations of the Company and its subsidiaries (the "**Group**") and are in the best interest of the Company and its shareholders as a whole. Save as disclosed in this announcement, the Board confirms that there are no other changes to the intended use of the unutilised proceeds.

The Company, though Huabao Flavours will continue to evaluate the use of the unutilised proceeds from the fund-raising and may, if necessary, revise or amend the relevant plans to respond to changing market conditions and to drive the Group towards improved business performance.

In compliance with the relevant regulations of the Shenzhen Stock Exchange, on 20 March 2026, Huabao Flavours has published the "Announcement in relation to adjusting the timeline for full utilisation of the use of proceeds" on http://www.cninfo.com.cn, the information disclosure website (巨潮資訊網) of the ChiNext Market of the Shenzhen Stock Exchange.

Shareholders of the Company and the public are advised to exercise caution when trading in the shares of the Company.

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

Hong Kong, 20 March 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*