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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)

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.

Reference is made to the Company's announcement dated 12 February 2026 (the "**Announcement**"). Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings ascribed thereto in the Announcement.

As disclosed in the Announcement, 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), held the 23rd meeting of the second session of its board of directors on 8 March 2022, at which it considered and approved the Proposal on the Acquisition of a Portion of the Equity Interests in Shanghai Yifang (《關於收購上海奕方部分股權的議案》), agreeing to 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**"). Pursuant to the Share Transfer Agreement, Huabao Flavours, QIAN RONG and Wong Kam Wing are obligated to make their respective capital contributions for the capital increase in full in proportion to their respective shareholdings according to the agreed schedule. Additionally, QIAN RONG and Wong Kam Wing have agreed to assume the performance undertaking and compensation obligations in favor of Huabao Flavours, with the performance undertaking period being three years from 1 January 2022 to 31 December 2024 (the "**Performance Undertaking Period**"), during which the consolidated net profit of Shanghai Yifang shall be no less than RMB41 million, RMB55 million and RMB74 million, respectively. Upon the completion of the transaction, Huabao Flavours held 67% equity interests in Shanghai Yifang. Hence, Shanghai Yifang has become a controlling subsidiary of Huabao Flavours and has been included into the scope of the consolidated statements of Huabao Flavours.

In June 2023, the company's name has changed to Shanghai Yifang Rural Technology Co., Ltd. (上海奕方農業科技有限公司)

As QIAN RONG and Wong Kam Wing failed to fulfill the obligations to pay the agreed additional capital at the early stage, which constitutes a material breach of the Share Transfer Agreement, and taking into account that Shanghai Yifang continued to incur losses during the Performance Undertaking Period, Huabao Flavours submitted an arbitration application in 2023 to the Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Center) (the "**Arbitration Center**") with QIAN RONG and Wong Kam Wing as respondents. Please refer to the Announcement for details and arbitration results.

Given the material breach by QIAN RONG and Wong Kam Wing for failing to fulfill the capital increase obligations and the failure of Shanghai Yifang to meet the performance undertaking, Huabao Flavours filed another arbitration application with the Arbitration Center in 2024. For details regarding the arbitration claims, arbitration progress, Shanghai Yifang's performance under the undertaking and the arbitration results, please refer to the Announcement.

Given that the respondents, QIAN RONG and Wong Kam Wing, have to date failed to fulfill the obligations determined under the effective arbitral award, Huabao Flavours has applied to the Shanghai First Intermediate People's Court for compulsory enforcement, and has recently received the Notice of Case Acceptance issued by the court.

There are uncertainties regarding the outcome of enforcement of the arbitration award, which are not expected to have a material adverse impact on the normal operations or financial condition of Huabao Flavours. Huabao Flavours will make corresponding accounting treatments in accordance with relevant accounting standards and actual circumstances. Huabao Flavours will closely monitor the progress of the arbitration enforcement and its impact and will comply with applicable laws and regulations to disclose information in a timely manner, so as to safeguard the interests of Huabao Flavours and its shareholders.

In compliance with the relevant regulations of the Shenzhen Stock Exchange, Huabao Flavours has published the "Announcement on the Progress of the Acquisition of a Portion of Equity Interests in 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 14 April 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, 14 April 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*