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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)

INSIDE INFORMATION PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021 OF HUABAO FLAVOURS & FRAGRANCES CO., LTD.

This announcement is made by Huabao International Holdings Limited (the "**Company**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Huabao Flavours & Fragrances Co., Ltd. ("**Huabao Flavours**") is a subsidiary of the Company and its shares are listed on the ChiNext Market of Shenzhen Stock Exchange (Stock Code: 300741). In compliance with the relevant applicable regulations of Shenzhen Stock Exchange, Huabao Flavours published its 2021 Third Quarterly Report for the nine months ended 30 September 2021 on 26 October 2021 on the information disclosure webpage of Shenzhen Stock Exchange's website at <http://www.szse.cn/disclosure/listed/notice/index.html>.

The board of directors of the Company would like to draw the attention of its shareholders and public investors to the appendices of this announcement (the "**Appendices**") which set out the principal accounting data and financial indicators of Huabao Flavours prepared in accordance with the PRC Accounting Standard for Business Enterprises for the nine months ended 30 September 2021.

Please note that the information in the Appendices is an extract of the financial statements prepared by Huabao Flavours in Chinese language. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

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

Hong Kong, 26 October 2021

As at the date of this announcement, the Board comprises four executive directors, namely Ms. CHU Lam Yiu (Chairlady and CEO), Messrs. LAM Ka Yu (Co-Chairman), XIA Liqun and POON Chiu Kwok and three independent non-executive directors, namely Mr. LEE Luk Shiu, Ms. MA Yunyan, and Mr. Jonathan Jun YAN.

** For identification purposes only*

APPENDIX I
PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS OF
HUABAO FLAVOURS & FRAGRANCES CO., LTD.

PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS

Unit: RMB (Yuan)

Unit: RMB (1,000)

	Current reporting period	Corresponding period last year		Increase/ decrease of the current reporting period compared to the corresponding period last year	From the beginning of the year to end of current reporting period	Corresponding period last year		Increase / decrease from the beginning of the year to end of current reporting period compared to the corresponding period last year
		Before adjustment	After adjustment	After adjustment		Before adjustment	After adjustment	After adjustment
Operating revenue	446,968,275	507,193,557	507,193,557	-11.87%	1,363,646,670	1,442,842,489	1,442,842,489	-5.49%
Net profit attributable to Huabao Flavours' shareholders	223,793,407	273,658,410	271,510,058	-17.57%	753,565,975	819,746,148	817,686,794	-7.84%
Net profit attributable to Huabao Flavours' shareholders less the non-recurring items	201,029,702	252,735,894	250,587,542	-19.78%	625,677,122	723,224,274	721,164,920	-13.24%
Net cash flows arising from operating activities	—	—	—	—	814,118,717	805,058,847	805,622,360	1.05%
Basic earnings per share (RMB/share)	0.36	0.44	0.44	-18.18%	1.22	1.33	1.33	-8.27%
Diluted earnings per share (RMB/share)	0.36	0.44	0.44	-18.18%	1.22	1.33	1.33	-8.27%
Weighted average return on net assets	3.06%	3.78%	3.75%	-0.69%	9.98%	10.91%	10.91%	-0.93%
	End of the current reporting period	End of last year				Increase/decrease of the end of the current reporting period compared to the end of last year		
		Before adjustment		After adjustment		After adjustment		
Total assets	8,031,124,276	8,349,999,362		8,349,999,362		-3.82%		
Owner's equity attributable to Huabao Flavours' shareholders	7,483,613,080	7,722,651,979		7,722,651,979		-3.10%		

APPENDIX I
PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS OF
HUABAO FLAVOURS & FRAGRANCES CO., LTD. (CONT')

NON-RECURRING GAIN/ LOSS ITEMS AND AMOUNTS

Unit: RMB (Yuan)

Item	Amount for the current reporting period	Amount from the beginning of the year to end of current reporting period	Explanations
Gain/loss from disposal of non-current assets, including the portion offset from the provision for impairment of assets	-21,856	4,699,538	
Government subsidies recognized in profit and loss of current period (excluding those closely related to the Company's normal operations and granted under the State's policies according to certain quota of amount or volume)	17,499,510	102,806,132	
Investment income arising from gain or loss resulted from changes in fair value (except those arising from the effective hedging business related to the Company's normal operation) of financial assets held for trading, financial liabilities held for trading, disposal of financial assets held for trading, financial liabilities held for trading and investment income from available-for-sale financial assets	11,243,051	42,528,155	
Non-operating income and expenses other than the above items	10,365	294,688	
Less: Income tax impact	5,489,618	21,182,620	
Minority interest impact (after tax)	477,747	1,257,040	
Total	22,763,705	127,888,853	--

APPENDIX II
CHANGES IN PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS OF
HUABAO FLAVOURS & FRAGRANCES CO., LTD. AND REASONS FOR CHANGES

1. ANALYSIS OF CHANGES IN MAJOR ITEMS IN BALANCE SHEET
AND REASONS FOR CHANGES

Unit: RMB (Ten Thousand Yuan)

Item	Amount at the end of current reporting period	Amount at the beginning of the year	Increase / decrease	Explanations for significant changes
Cash and bank balances	200,520	480,942	-58.31%	Mainly due to the purchases of structured bank deposits during the current period
Financial assets held for trading	298,867	56,956	424.73%	Mainly due to the increase in the purchases of structured bank deposits during the current period
Bills receivable	2,631	4,784	-45.00%	Mainly due to the decrease in bank bills received from customers during the current period
Prepayments	970	463	109.50%	Mainly due to the increase in prepayments during the current period
Other receivables	8,169	6,006	36.01%	Mainly due to the increase in government subsidies receivable during the current period
Long-term equity investments	26,880	6,130	338.50%	Mainly due to the increase in equity investments during the current period
Construction in progress	2,749	2,033	35.22%	Mainly due to the increase in construction in progress of fund-raising projects
Long-term deferred expenses	864	1,271	-32.02%	Mainly due to the amortization of long-term deferred items
Other non-current assets	988	252	292.06%	Mainly due to the increase in new fixed assets, etc.
Employee compensation payable	3,542	5,539	-36.05%	Mainly due to the performance bonuses distribution during the current period
Other current liabilities	1,950	3,687	-47.11%	Mainly due to the decrease in pending output value-added tax during the current period
Lease liabilities	2,349	1,776	32.26%	Mainly due to the increase in leased office buildings, etc.
Deferred income tax liabilities	398	239	66.53%	Mainly due to the changes in the fair value of financial assets held for trading resulting in the increase in deferred income tax liabilities
Other comprehensive income	-469	296	-258.45%	Mainly due to changes in the exchange rate of RMB against foreign currencies

2. ANALYSIS OF CHANGES IN MAJOR ITEMS IN INCOME STATEMENT
AND REASONS FOR CHANGES

Unit: RMB (Ten Thousand Yuan)

Item	Amount from the beginning of the year to end of current reporting period	Amount for the corresponding period last year	Increase / decrease	Explanations for significant changes
Financial expenses	-6,746	-9,984	-32.43%	Mainly due to the decrease in bank time deposits and correspondingly decrease in amount of interest on bank time deposits
Profit and loss arising from changes in fair value	4,352	90	4735.56%	Mainly due to fluctuations in the fair value of structured bank deposits and stock investments
Income from disposal of assets	553	8	6812.50%	Mainly due to the disposal of fixed assets

APPENDIX II
CHANGES IN PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS OF
HUABAO FLAVOURS & FRAGRANCES CO., LTD. AND REASONS FOR CHANGES (CONT')

3. ANALYSIS OF CHANGES IN MAJOR ITEMS IN CASH FLOW STATEMENT AND REASONS FOR CHANGES

Unit: RMB (Ten Thousand Yuan)

Item	Amount from the beginning of the year to end of current reporting period	Amount for the corresponding period last year	Increase / decrease	Explanations for significant changes
Cash received from other activities relating to operating activities	12,866	18,652	-31.02%	Mainly due to the decrease in the amount of government subsidies and interest income received
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	761	49	1453.06%	Mainly due to the increase in amounts received from the disposal of fixed assets
Cash paid for purchases and construction of fixed assets, intangible assets and other long-term assets	7,273	2,652	174.25%	Mainly due to the increase in funds used for land purchase and increase in expenditure on construction in progress for fund-raising projects during the current period
Cash used in investing activities	519,300	270,809	91.76%	Mainly due to the increase in purchases of structured bank deposits during the current period
Effect of changes in foreign exchange rate on cash and cash equivalents	-306	-1,316	-76.75%	Mainly due to changes in the exchange rate of RMB against foreign currencies during the current period