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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)

**TOP-UP PLACING OF EXISTING SHARES AND
SUBSCRIPTION OF NEW SHARES
UNDER GENERAL MANDATE**

Placing Agents

NOMURA

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CITIC SECURITIES

THE TOP-UP PLACING AND SUBSCRIPTION

The Board is pleased to announce that on 8 December 2021 (after trading hours of the Stock Exchange), the Company, the Vendor (being a company wholly-owned by Madam Chu) and the Placing Agents entered into the Placing and Subscription Agreement, pursuant to which (i) the Vendor (being a substantial shareholder of the Company beneficially interested in 542,122,243 Shares, which represent approximately 17.44% of the existing issued share capital of the Company as at the date of this announcement) has agreed to place, through the Placing Agents, on a several and not joint nor joint and several and best-effort basis, an aggregate of 122,090,000 Top-up Placing Shares, at the Top-up Placing Price of HK\$17.88 per Top-up Placing Share; and (ii) the Vendor has agreed to subscribe for 122,090,000 Top-up Subscription Shares at the Top-up Subscription Price of HK\$17.88 per Top-up Subscription Share which is equivalent to the Top-up Placing Price.

The total number of 122,090,000 Top-up Placing Shares held by Madam Chu (through the Vendor) represents (i) approximately 3.93% of the existing issued share capital of the Company as at the date of this announcement and (ii) approximately 3.78% of the issued share capital of the Company as enlarged by the allotment and issue of the Top-up Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Top-up Subscription save for the issue of the Top-up Subscription Shares).

The Top-up Placing Price of HK\$17.88 per Top-up Placing Share represents:

- (i) a discount of approximately 11.92% to the closing price of HK\$20.30 per Share as quoted on the Stock Exchange on the date of the Placing and Subscription Agreement;
- (ii) a discount of approximately 18.84% to the average closing price of HK\$22.03 per Share as quoted on the Stock Exchange for the last five (5) trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 20.13% to the average closing price of HK\$22.39 per Share as quoted on the Stock Exchange for the last ten (10) trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 3.78% to the average closing price of HK\$18.58 per Share as quoted on the Stock Exchange for the last thirty (30) trading days up to and including the Last Trading Day.

The Company was authorised to allot and issue up to a total of 621,567,375 Shares under the General Mandate granted by the Shareholders at the 2021 AGM. The General Mandate is sufficient for the allotment and issue of the Top-up Subscription Shares.

As at the date of this announcement, the General Mandate has not yet been utilised. Accordingly, the Company may allot and issue up to 621,567,375 Shares under the General Mandate and it is intended that the Top-up Subscription Shares will be allotted and issued thereunder. Therefore, no Shareholders' approval is required for the issue of the Top-up Subscription Shares.

Assuming that the total number of 122,090,000 Top-up Placing Shares is placed to the Placees in full and the equivalent number of Top-up Subscription Shares are subscribed for by the Vendor under the Top-up Subscription, the total gross proceeds and estimated net proceeds (after deducting the commission payable to the Placing Agents, professional fee and other related costs and expenses in relation to the Top-up Placing and Subscription) from the Top-up Subscription are approximately HK\$2.18 billion and approximately HK\$2.16 billion respectively. On such basis, the net price of each Top-up Subscription Share is approximately HK\$17.67.

The Company intends to use the net proceeds from the Top-up Subscription for (1) repayment of bank loans; (2) acquisition of and/or investment in business(es) which leverage on the competitive advantage of the Group should suitable opportunities arise; and (3) general working capital requirements and expansion of existing businesses.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Top-up Subscription Shares.

As at date of this announcement, Madam Chu (through various companies wholly owned by her (including the Vendor)) held 2,293,408,900 Shares, representing approximately 73.79% of the issued Shares. Madam Chu's shareholding in the Company (held through various companies wholly owned by her (including the Vendor)) will decrease from approximately 73.79% to 69.86% upon completion of the Top-up Placing and will be restored to approximately 71.00% upon completion of the Top-up Subscription.

Completion of the Top-up Placing and completion of the Top-up Subscription are subject to fulfilment of the conditions as set out in the Placing and Subscription Agreement. As the Top-up Placing and Subscription may or may not proceed, shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 8 December 2021 (after trading hours of the Stock Exchange), the Company, the Vendor (being a company wholly-owned by Madam Chu) and the Placing Agents entered into the Placing and Subscription Agreement, pursuant to which (i) the Vendor (being a substantial shareholder of the Company beneficially interested in 542,122,243 Shares, which represent approximately 17.44% of the existing issued share capital of the Company as at the date of this announcement) has agreed to place, through the Placing Agents, on a several and not joint nor joint and several and best-effort basis, an aggregate of 122,090,000 Top-up Placing Shares, at the Top-up Placing Price of HK\$17.88 per Top-up Placing Share; and (ii) the Vendor has agreed to subscribe for 122,090,000 Top-up Subscription Shares at the Top-up Subscription Price of HK\$17.88 per Top-up Subscription Share which is equivalent to the Top-up Placing Price.

THE PLACING AND SUBSCRIPTION AGREEMENT

Date

8 December 2021 (after trading hours of the Stock Exchange)

Parties

- (i) the Company, as the issuer of the Top-up Subscription Shares;
- (ii) the Vendor, as the vendor of the Top-up Placing Shares and the subscriber of the Top-up Subscription Shares; and
- (iii) the Placing Agents, as the placing agents for the placing of the Top-up Placing Shares.

The Vendor is a company incorporated in the British Virgin Islands with limited liability, and is wholly-owned by Madam Chu. The Vendor is a substantial shareholder of the Company beneficially interested in 542,122,243 Shares, which represent approximately 17.44% of the existing issued share capital of the Company as at the date of this announcement.

To the best knowledge, information and belief of the Directors, and after having made all reasonable enquiries, each of the Placing Agents is an Independent Third Party.

The Top-up Placing

Pursuant to the Placing and Subscription Agreement, the Placing Agents have agreed to act as the placing agents for the placing of an aggregate of 122,090,000 Top-up Placing Shares at the Top-up Placing Price of HK\$17.88 per Top-up Placing Share on a several and not joint nor joint and several and best-effort basis.

Number of the Top-up Placing Shares

The total number of 122,090,000 Top-up Placing Shares held by Madam Chu (through the Vendor) represents (i) approximately 3.93% of the existing issued share capital of the Company as at the date of this announcement and (ii) approximately 3.78% of the issued share capital of the Company as enlarged by the allotment and issue of the Top-up Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Top-up Subscription save for the issue of the Top-up Subscription Shares).

Rights of the Top-up Placing Shares

The Top-up Placing Shares will be sold free from all pledges, liens, charges and encumbrances, equities, security interests or other claims and together with all rights attaching thereto as at the date of the Placing and Subscription Agreement, including the right to receive all dividends, distributions and other rights declared, distributed or paid, in respect of the Top-up Placing Shares. The Top-up Placing Shares rank *pari passu* in all respects with the other existing Shares.

Placees

The Placing Agents have agreed to place, on a several and not joint nor joint and several and best-effort basis, the Top-up Placing Shares. It is expected that the Top-up Placing Shares will be placed to not less than six (6) Placees, who will be any professional, institutional or other investors or person or entity procured by or on behalf of the Placing Agents or their agents. The Placees (and their respective ultimate beneficial owners) shall be Independent Third Parties.

It is not expected that any individual Placee will become a substantial shareholder of the Company upon the completion of the Top-up Placing. If any of the Placees becomes a substantial shareholder of the Company after completion of the Top-up Placing, further announcement will be made as and when appropriate in accordance with the Listing Rules.

Top-up Placing Price

The Top-up Placing Price of HK\$17.88 per Top-up Placing Share represents:

- (i) a discount of approximately 11.92% to the closing price of HK\$20.30 per Share as quoted on the Stock Exchange on the date of the Placing and Subscription Agreement;
- (ii) a discount of approximately 18.84% to the average closing price of HK\$22.03 per Share as quoted on the Stock Exchange for the last five (5) trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 20.13% to the average closing price of HK\$22.39 per Share as quoted on the Stock Exchange for the last ten (10) trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 3.78% to the average closing price of HK\$18.58 per Share as quoted on the Stock Exchange for the last thirty (30) trading days up to and including the Last Trading Day.

The Top-up Placing Price is the same as the Top-up Subscription Price.

The Top-up Placing Price was arrived at after arm's length negotiations among the Company, the Vendor and the Placing Agents with reference to the recent market condition and the prevailing market price of the Shares. The Directors consider that the Top-up Placing Price and the terms and conditions of the Placing and Subscription Agreement are on normal commercial terms and are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Conditions Precedent to the Top-up Placing

Completion of the Top-up Placing is conditional upon:

- (i) before completion of the Top-up Placing, there shall not have occurred:
 - (A) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole; or
 - (B) any suspension or limitation of trading (a) in any of the Company's securities by the Stock Exchange (save and except for any trading halt in relation to the Top-up Placing and the Top-up Subscription), or (b) generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the London Stock Exchange, the New York Stock Exchange or the Nasdaq National Market; or
 - (C) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, Bermuda, the British Virgin Islands, the PRC, Japan, Singapore, the United States, the United Kingdom or any other member of the European Economic Area, (together, the “**Relevant Jurisdictions**” and each a “**Relevant Jurisdiction**”) of a national emergency or war or other calamity or crisis; or
 - (D) any material disruption in commercial banking or securities settlement or clearance services in any Relevant Jurisdiction and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in any Relevant Jurisdiction; or
 - (E) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in any Relevant Jurisdiction or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation,

that, in the sole judgment of the Placing Agents, would make the placement of the Top-up Placing Shares or the enforcement of contracts to purchase the Top-up Placing Shares impracticable or inadvisable or would materially prejudice trading of the Top-up Placing Shares in the secondary market;

- (ii) the representations and warranties made by any of the Company and the Vendor pursuant to the Placing and Subscription Agreement being true and accurate and not misleading as of the date of the Placing and Subscription Agreement and the Placing Completion Date;

- (iii) each of the Company and the Vendor having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing and Subscription Agreement on or before the Placing Completion Date;
- (iv) the Placing Agents having received on the Placing Completion Date the Bermuda, British Virgin Islands and Hong Kong legal opinions as specified in the Placing and Subscription Agreement; and
- (v) the Placing Agents having received on the Placing Completion Date the United States legal opinion as specified in the Placing and Subscription Agreement.

The Company and the Vendor shall use their respective reasonable endeavours to procure the fulfilment of the foregoing conditions (except for the condition set out in (v) above) and to provide assistance to the Placing Agents to fulfil the condition set out in (v) above on or before the Placing Completion Date. The Placing Agents in their sole discretion may waive any of the conditions of the Top-up Placing, in whole or in part and with or without conditions, by notice to the Company and the Vendor. In the event that (a) any of the events set out in (i) above occurs at any time between the date of the Placing and Subscription Agreement and the Placing Completion Date; or (b) the Vendor does not deliver the Top-up Placing Shares on the Placing Completion Date; or (c) any of the conditions set out in (ii) to (v) above has not been satisfied or waived in writing on the dates specified above, the Placing Agents may elect, in their sole discretion, to terminate the Placing and Subscription Agreement forthwith.

Completion of the Top-up Placing

Completion of the Top-up Placing is expected to take place on 13 December 2021, or at such other time and/or date as may be agreed by the Vendor and the Placing Agents.

The Top-up Subscription

The Company has conditionally agreed to allot and issue and the Vendor has conditionally agreed to subscribe for 122,090,000 Top-up Subscription Shares.

Number of the Top-up Subscription Shares

The number of Top-up Subscription Shares to be subscribed by the Vendor pursuant to the Placing and Subscription Agreement is equal to the number of the Top-up Placing Shares. The total number of 122,090,000 Top-up Subscription Shares represents (i) approximately 3.93% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.78% of the issued share capital of the Company as enlarged by the allotment and issue of the Top-up Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Top-up Subscription save for the issue of the Top-up Subscription Shares). The aggregate nominal value of the Top-up Subscription Shares will be HK\$12,209,000 on the basis of full subscription of all the Top-up Subscription Shares.

Top-up Subscription Price

The Top-up Subscription Price of HK\$17.88 is the same as the Top-up Placing Price.

The Top-up Subscription Price was determined with reference to the Top-up Placing Price and was negotiated on an arm's length basis based on the Top-up Placing Price among the Company, the Vendor and the Placing Agents on the date of the Placing and Subscription Agreement.

Ranking of the Top-up Subscription Shares

The Top-up Subscription Shares will rank, upon issue, *pari passu* in all respects with the other Shares in issue on the date of allotment and issue of the Top-up Subscription Shares.

Conditions of the Top-up Subscription

Completion of the Top-up Subscription is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting to the Company a listing of and permission to deal in, the Top-up Subscription Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Top-up Subscription Shares); and
- (ii) the completion of the Top-up Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

The Company and the Vendor shall use their respective reasonable endeavours to procure the fulfilment of the above conditions as soon as reasonably practicable. None of the conditions stated above can be waived. In the event of the conditions referred to above not having been fulfilled within fourteen (14) days of the date of the Placing and Subscription Agreement (or such later date as may be agreed among the Company, the Vendor and the Placing Agents), all obligations and liabilities of the Company and the Vendor under the Top-up Subscription shall be null and void and none of the Company and the Vendor shall have any claim against the other in relation to the Top-up Subscription save and except for any antecedent breach and other than the obligation of the Company to refund to the Vendor under the Placing and Subscription Agreement.

Completion of the Top-up Subscription

Completion of the Top-up Subscription shall take place on or before the second business day after the date upon which the last of the conditions of the Top-up Subscription shall have been satisfied, provided that it shall be no later than the date falling fourteen (14) days after the date of the Placing and Subscription Agreement, i.e. 22 December 2021, or at such later time and/or date as the Company, the Vendor and the Placing Agents may agree in writing and in compliance with the Listing Rules.

Application for Listing

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Top-up Subscription Shares.

LOCK-UP UNDERTAKINGS

Pursuant to the terms of the Placing and Subscription Agreement,

- (i) the Vendor shall not, and shall procure that none of its nominees, any person controlled by it, any trust associated with it or any person acting on its or their behalf shall, without the prior written consent of the Placing Agents, (A) offer, sell, lend, contract to sell, pledge, grant any option over, make any short sale or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Vendor or any Affiliate of the Vendor or any person in privity with the Vendor or any Affiliate of the Vendor), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, (B) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (A) or (B) above is to be settled by delivery of the Shares or such other securities, in cash or otherwise, or (C) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is

ninety (90) days after the Placing Completion Date. The foregoing shall not apply to the sale of the Top-up Placing Shares under the Placing and Subscription Agreement;

- (ii) the Company shall not, and the Vendor shall procure that the Company will not, without the prior written consent of the Placing Agents, (A) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, or (B) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (A) or (B) above is to be settled by delivery of the Shares or such other securities, in cash or otherwise, or (C) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is ninety (90) days after the Placing Completion Date. The foregoing shall not apply to (x) the issue of the Top-up Subscription Shares under the Placing and Subscription Agreement and (y) any grant of share option(s) and any issue of new Share(s) upon exercise of option(s) under the share option scheme adopted by the Company on 9 August 2016; and
- (iii) Madam Chu shall deliver to the Placing Agents a deed of undertaking in favour of the Placing Agents that contains the non-disposal undertaking to be given by Madam Chu in respect of any Shares directly or indirectly owned by her (through various companies wholly owned by her (including the Vendor)) in form and substance in accordance with the above (i).

GENERAL MANDATE

The Company was authorised to allot and issue up to a total of 621,567,375 Shares under the General Mandate granted by the Shareholders at the 2021 AGM. The General Mandate is sufficient for the allotment and issue of the Top-up Subscription Shares.

As at the date of this announcement, the General Mandate has not yet been utilised. Accordingly, the Company may allot and issue up to 621,567,375 Shares under the General Mandate and it is intended that the Top-up Subscription Shares will be allotted and issued thereunder. Therefore, no Shareholders' approval is required for the issue of the Top-up Subscription Shares.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the completion of the Top-up Placing but before the completion of the Top-up Subscription; and (iii) immediately after the completion of the Top-up Placing and the completion of the Top-up Subscription, on the assumption that (1) a total number of 122,090,000 Top-up Placing Shares have been placed by the Placing Agents under the Top-up Placing and the Vendor shall subscribe for 122,090,000 Top-up Subscription Shares upon completion of the Top-up Subscription; and (2) there will be no other change to the share capital of the Company from the date of this announcement until the completion of the Top-up Subscription save for the issue of the Top-up Subscription Shares:

| | As at the date of this announcement | | Immediately after the completion of the Top-up Placing but before the completion of the Top-up Subscription | | Immediately after the completion of the Top-up Placing and the completion of the Top-up Subscription | |
|---------------------------|--|--------------------------|---|--------------------------|---|--------------------------|
| | <i>Number of Shares</i> | <i>Approximate %</i> | <i>Number of Shares</i> | <i>Approximate %</i> | <i>Number of Shares</i> | <i>Approximate %</i> |
| Madam Chu (<i>Note</i>) | 2,293,408,900 | 73.79 | 2,171,318,900 | 69.86 | 2,293,408,900 | 71.00 |
| Placees | – | – | 122,090,000 | 3.93 | 122,090,000 | 3.78 |
| Other Shareholders | 814,427,976 | 26.21 | 814,427,976 | 26.21 | 814,427,976 | 25.22 |
| Total | 3,107,836,876 | 100.00 | 3,107,836,876 | 100.00 | 3,229,926,876 | 100.00 |

Note: An aggregate of 2,293,408,900 Shares were held by Mogul Enterprises Limited, Resourceful Link International Limited, Power Nation International Limited, Jumbo Elite Limited, the Vendor and Real Elite Investments Limited, respectively. Madam Chu is the sole beneficial owner of the aforesaid six (6) companies.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities on issue of equity securities in the past twelve months prior to the date of this announcement.

REASONS FOR THE TOP-UP PLACING AND SUBSCRIPTION AND USE OF PROCEEDS

The Company was incorporated in the Bermuda with limited liability. The Group is principally engaged in the research and development, production, distribution and sales of flavours and fragrances, tobacco raw materials (comprising the reconstituted tobacco leaves and tobacco new materials), aroma raw materials and condiment products in the PRC.

Assuming that the total number of 122,090,000 Top-up Placing Shares is placed to the Placees in full and the equivalent number of Top-up Subscription Shares is subscribed for by the Vendor under the Top-up Subscription, the total gross proceeds and estimated net proceeds (after deducting the commission payable to the Placing Agents, professional fee and other related costs and expenses in relation to the Top-up Placing and Subscription) from the Top-up Subscription are approximately HK\$2.18 billion and approximately HK\$2.16 billion respectively. On such basis, the net price of each Top-up Subscription Share is approximately HK\$17.67.

The Company intends to use the net proceeds from the Top-up Subscription for (1) repayment of bank loans; (2) acquisition of and/or investment in business(es) which leverage on the competitive advantage of the Group should suitable opportunities arise; and (3) general working capital requirements and expansion of existing businesses.

The Directors are of the view that the Top-up Placing and Subscription will benefit the Group's long term development by providing a good opportunity to raise additional funds to strengthen the financial position and to broaden the Company's shareholder base and capital base to facilitate the future growth and development of its business as well as to increase the liquidity of the Shares.

The Directors (including the independent non-executive Directors) are of the view that the Top-up Placing and Subscription is in the interests of the Company and its Shareholders as a whole and the terms of the Placing and Subscription Agreement, which were arrived at after arm's length negotiations among the Company, the Vendor and the Placing Agents, are fair and reasonable so far as the Shareholders are concerned.

Completion of the Top-up Placing and completion of the Top-up Subscription are subject to fulfilment of the conditions as set out in the Placing and Subscription Agreement. As the Top-up Placing and Subscription may or may not proceed, shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

| | |
|--------------------------------|--|
| “2021 AGM” | the annual general meeting of the Company held on 18 May 2021 |
| “Affiliate” | has the meanings specified in Rule 501(b) of Regulation D under the U.S. Securities Act |
| “associate(s)” | has the meanings ascribed to it under the Listing Rules |
| “Board” | the board of Directors of the Company |
| “Company” | Huabao International Holdings Limited, a limited company incorporated in Bermuda 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 under the Listing Rules |
| “Director(s)” | director(s) of the Company |
| “General Mandate” | the general mandate granted to the Directors by the Shareholders at the 2021 AGM to allot, issue and deal with up to a total of 621,567,375 new Shares (representing 20% of the then issued share capital of the Company as at the date of the 2021 AGM) |
| “Group” | the Company and its subsidiaries, as appropriate and regardless of whether directly or indirectly owned |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” or “HK” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party(ies)” | third party(ies) independent of and not connected with or acting in concert with the Company and its connected persons and associates (as defined in the Listing Rules) |
| “Last Trading Day” | 7 December 2021, being the last full trading day prior to the date of the Placing and Subscription Agreement |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |

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| “Madam Chu” | Ms. CHU Lam Yiu, the Chairlady and CEO of the Company. As at the date of this announcement, Madam Chu, through various companies wholly owned by her, indirectly holds an aggregate of 2,293,408,900 Shares, representing approximately 73.79% of the total issued shares of the Company |
| “Placee(s)” | any professional, institutional or other investor(s) or person or entity procured by or on behalf of the Placing Agents or their respective agent(s) to purchase any of the Top-up Placing Shares pursuant to the Placing Agents’ obligations under the Placing and Subscription Agreement |
| “Placing Agents” | Nomura International (Hong Kong) Limited, Citigroup Global Markets Limited and CLSA Limited |
| “Placing and Subscription Agreement” | the placing and subscription agreement dated 8 December 2021 entered into between the Company, the Vendor and the Placing Agents in relation to the Top-up Placing and Subscription |
| “Placing Completion Date” | 13 December 2021 (or such other time or date as the Vendor and the Placing Agents may agree on which in writing) |
| “PRC” or “China” | the People’s Republic of China, for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |
| “Relevant Jurisdiction(s)” | has the meaning given to it under the section headed “THE PLACING AND SUBSCRIPTION AGREEMENT – The Top-up Placing – Conditions Precedent to the Top-up Placing” in this announcement |
| “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 |
| “subsidiaries” | has the meaning ascribed to it under the Listing Rules |
| “substantial shareholder” | has the meaning ascribed to it under the Listing Rules |
| “Top-up Placing” | the placing of the Top-up Placing Shares held by the Vendor pursuant to the terms and conditions of the Placing and Subscription Agreement |
| “Top-up Placing and Subscription” | the Top-up Placing and the Top-up Subscription |

| | |
|--------------------------------|---|
| “Top-up Placing Price” | the price of HK\$17.88 per Top-up Placing Share |
| “Top-up Placing Share(s)” | an aggregate of 122,090,000 Shares held by the Vendor and to be placed pursuant to the Placing and Subscription Agreement |
| “Top-up Subscription” | the subscription of the Top-up Subscription Shares by the Vendor pursuant to the terms and conditions of the Placing and Subscription Agreement |
| “Top-up Subscription Price” | the price of HK\$17.88 per Top-up Subscription Share which shall be the same as the Top-up Placing Price |
| “Top-up Subscription Share(s)” | an aggregate of 122,090,000 new Shares to be subscribed for by the Vendor pursuant to the Placing and Subscription Agreement, being the number of the Top-up Placing Shares actually placed by the Placing Agents on behalf of the Vendor pursuant to the terms of the Placing and Subscription Agreement |
| “trading day” | a day on which the Shares are traded on the Stock Exchange in accordance with the rules and regulations of the Stock Exchange in force from time to time |
| “Vendor” | Raise Sino Investments Limited, a company incorporated in the British Virgin Islands which is wholly owned by Madam Chu |
| “%” | per cent |

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

Hong Kong, 8 December 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*