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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)

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

Placing Agents

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CITIC SECURITIES

Reference is made to the announcement issued by the Company dated 8 December 2021 (the “**Announcement**”) in relation to, among other things, the Top-up Placing and Subscription. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE TOP-UP PLACING AND COMPLETION OF THE TOP-UP SUBSCRIPTION

The Board announces that the completion of the Top-up Placing and the completion of the Top-up Subscription took place on 13 December 2021 and 20 December 2021 respectively, in accordance with the terms and conditions of the Placing and Subscription Agreement.

A total of 122,090,000 Top-up Placing Shares have been placed at the Top-up Placing Price of HK\$17.88 per Top-up Placing Share to no less than six (6) Placees. To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, each of the Placees (and their respective ultimate beneficial owners) are Independent Third Parties. As far as the Directors are aware, none of the Placees has become a substantial shareholder of the Company as a result of the Top-up Placing and Subscription.

In addition, all the conditions of the Top-up Subscription have been satisfied and completion of the Top-up Subscription took place on 20 December 2021. A total of 122,090,000 Top-up Subscription Shares (equal to the number of the Top-up Placing Shares placed under the Top-up Placing) were subscribed by the Vendor at the Top-up Subscription Price of HK\$17.88 per Top-up Subscription Share (which is the same as the Top-up Placing Price). The Top-up Subscription Shares represent approximately 3.78% of the issued share capital of the Company as enlarged by the allotment and issue of the Top-up Subscription Shares upon completion of the Top-up Subscription.

PROCEEDS FROM THE TOP-UP SUBSCRIPTION

The Company received net proceeds from the Top-up Subscription (after deducting the commissions payable to the Placing Agents, professional fee and other related costs and expenses in relation to the Top-up Placing and Subscription) of approximately HK\$2.16 billion and intends to use: (1) approximately 70.46% of such net proceeds (which is equivalent to approximately HK\$1,522,000,000) for repayment of bank loans; (2) approximately 13.89% of such net proceeds (which is equivalent to approximately HK\$300,000,000) for acquisition of and/or investment in business(es) which leverage on the competitive advantage of the Group should suitable opportunities arise; and (3) approximately 15.65% of such net proceeds (which is equivalent to approximately HK\$338,000,000) for general working capital requirements and expansion of existing businesses.

EFFECT OF THE TOP-UP PLACING AND TOP-UP SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) immediately before the completion of the Top-up Placing and the completion of the Top-up Subscription; (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:

	Immediately before the completion of the Top-up Placing and the completion of the Top-up Subscription		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.

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

Hong Kong, 20 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*