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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 THREE MONTHS ENDED 31 MARCH 2022 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 First Quarterly Report for the three months ended 31 March 2022 on 25 April 2022 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 three months ended 31 March 2022.

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, 25 April 2022

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 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)

	Current reporting period	Corresponding period last year	Increase/decrease of the current reporting period compared to the corresponding period last year
Operating revenue	416,353,510	467,110,062	-10.87%
Net profit attributable to Huabao Flavours' shareholders	216,153,002	273,838,242	-21.07%
Net profit attributable to Huabao Flavours' shareholders exclude non-recurring items	171,786,409	232,776,482	-26.20%
Net cash flow arising from operating activities	502,501	192,359,183	-99.74%
Basic earnings per share (RMB/share)	0.35	0.44	-20.45%
Diluted earnings per share (RMB/share)	0.35	0.44	-20.45%
Weighted average return on net assets	2.76%	3.48%	-0.72%
	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
Total assets	8,791,428,606	8,392,050,769	4.76%
Owner's equity attributable to Huabao Flavours' shareholders	7,933,283,425	7,707,268,109	2.93%

Non-recurring gain/ loss items and amounts

Unit: RMB (Yuan)

Items	Amount for the current reporting period	Explanations
Gain/loss from disposal of non-current assets, including the portion offset from the provision for impairment of assets	-21,162	
Government grants recognized in profit and loss of current period (excluding those closely related to the Company's normal operation and continuously granted under the State's policies according to certain quota of amount or volume)	24,730,446	Mainly due to the receipt of government subsidy
Investment income arising from gain or loss resulted from changes in fair value of financial assets held for trading and financial liabilities held for trading, and disposal of financial assets held for trading and financial liabilities held for trading, and available for sale financial assets; except those arising from the effective hedging business related to the Company's normal operation	28,044,621	
Non-operating income and expenses other than the above items	-364,938	
Less: Income tax impact	7,565,361	
Minority interest impact (after tax)	457,013	
Total	44,366,593	--

APPENDIX II
CHANGES IN PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS DURING THE
REPORTING PERIOD OF HUABAO FLAVOURS & FRAGRANCES CO., LTD.

1. Changes in significant items in Balance Sheet and Reasons for Changes

Unit: RMB (Ten Thousand Yuan)

Items	Amount for the end of current reporting period	Amount for the beginning	Percentage Change	Reasons
Bill receivables	2,797.43	2,092.89	33.66%	Mainly due to changes in the scope of consolidation during the current reporting period
Accounts receivables	61,088.97	46,220.31	32.17%	Mainly due to changes in the scope of consolidation during the current reporting period
Prepayments	3,932.73	947.21	315.19%	Mainly due to changes in the scope of consolidation during the current reporting period
Other receivables	3,941.76	1,840.76	114.14%	Mainly due to changes in the scope of consolidation during the current reporting period
Long term equity investments	15,854.03	33,579.35	-52.79%	Mainly due to the acquisition of the equity interests in 上海奕方農業科技股份有限公司(Shanghai Yifang Rural Technology Holdings Co., Ltd.*) during the current reporting period, resulting in a change from an associate company to a subsidiary which is included in the scope of consolidation
Fixed assets	35,403.59	26,882.07	31.70%	Mainly due to changes in the scope of consolidation and valuation surplus arising from acquisitions
Productive biological assets	11,605.82	-	100.00%	Mainly due to addition and changes in the scope of consolidation during the current reporting period
Right of use assets	3,345.47	2,101.09	59.23%	Mainly due to changes in the scope of consolidation during the current reporting period
Intangible assets	11,231.77	6,040.21	85.95%	Mainly due to changes in the scope of consolidation and valuation surplus arising from acquisitions
Long term deferred expenses	4,167.52	1,270.41	228.05%	Mainly due to changes in the scope of consolidation during the current reporting period
Contract liabilities	617.25	295.32	109.01%	Mainly due to changes in the scope of consolidation during the current reporting period
Employee compensation payable	4,665.66	6,890.04	-32.28%	Mainly due to the payment of annual performance bonuses that were accrued at the end of the previous year
Taxes payable	15,837.96	26,600.93	-40.46%	Mainly due to the decrease in the value-added tax payable at the beginning of the period and the income tax payable during the current reporting period
Lease liabilities	3,134.56	1,483.32	111.32%	Mainly due to changes in the scope of consolidation during the current reporting period
Deferred tax liabilities	1,557.61	473.59	228.89%	Mainly due to the recognition of deferred tax liabilities in relation to the acquisition of value-added assets
Short term loan	11,950.00	-	100.00%	Mainly due to changes in the scope of consolidation during the current reporting period
Bills payable	800.00	-	100.00%	Mainly due to addition and changes in the scope of consolidation during the current reporting period
Non-current liabilities due within one year	2,264.25	989.79	128.76%	Mainly due to addition and changes in the scope of consolidation during the current reporting period
Long term loan	1,915.95	-	100.00%	Mainly due to changes in the scope of consolidation during the current reporting period

2. Changes in significant items in Income Statement and Reasons for Changes

Unit: RMB (Ten Thousand Yuan)

Items	Amount for the current reporting period	Amount for the corresponding period last year	Percentage Change	Reasons
Financial expenses	-914.75	-2,995.42	69.46%	Mainly due to the decrease in time deposits during the current reporting period
Investment income	418.35	185.59	125.42%	Mainly due to the increase in structured deposits during the current reporting period
Income from changes in fair value	2,417.39	1,363.71	77.27%	Mainly due to the increase in the purchase of structured deposits during the current reporting period
Credit impairment loss (loss indicated by “-”)	-39.34	105.72	-137.21%	Mainly due to the increase in the provision for impairment losses on receivables during the current reporting period

3. Changes in significant items in Cash Flow Statement and Reasons for Changes

Unit: RMB (Ten Thousand Yuan)

Items	Amount for the current reporting period	Amount for the corresponding period last year	Percentage Change	Reasons
Net cash flow from operating activities	50.25	19,235.92	-99.74%	Mainly due to the impact of the novel coronavirus pandemic during the current reporting period which resulted in the decrease in receipts from operations and stockpiling of raw materials in advance
Net cash flows from investing activities	61,079.37	26,780.97	128.07%	Mainly due to the maturity of the bank's structured deposit products during the current reporting period
Net cash flow from financing activities	-684.50	-168.84	-305.41%	Mainly due to the payment of loan interest during the current reporting period