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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)

PROFIT WARNING

This announcement is made by Huabao International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company wishes to inform shareholders (the “**Shareholders**”) and potential investors of the Company that, based on a preliminary review of the Group’s unaudited consolidated management accounts for the five months ended 31 May 2022 and other information currently available to the Board, the Group is expected to record a net profit before tax of approximately RMB407 million for the five months ended 31 May 2022, before any impairment on goodwill and changes in fair value of unlisted equity investments (being financial assets at fair value through profit or loss), if any, representing a decrease of approximately 27% as compared with the corresponding period last year.

During the first five months of 2022, the resurgence of Novel Coronavirus Pneumonia pandemic (“**COVID-19**”) in certain provinces and cities in China and the changing international situation led to a decrease in market demand and an increase in the cost of raw materials; coupled with changes in the Group’s product mix, these resulted in a decline in the Group’s consolidated gross profit margin. As such, the Group’s profit before tax (before any impairment on goodwill and changes in fair value of unlisted equity investments) decreased accordingly.

The Company will assess if there are any impairment on goodwill and/or other assets and/or changes in fair value of financial assets as at 30 June 2022. Should there be any further material impact on the estimated profit or loss of the Company, further announcement(s) will be made, if necessary, to keep the shareholders of the Company and the public informed in due course.

Interim Results for the six months ended 30 June 2022 to be published by end of August 2022

The Company is still in the process of preparing the unaudited consolidated financial statements of the Group for the six months ended 30 June 2022. The information contained in this announcement is only based on a preliminary assessment made by the Board with reference to the Group's unaudited consolidated management accounts for the five months ended 31 May 2022 and other information currently available, which may be subject to changes upon further review. Shareholders and potential investors of the Company are advised to refer to the details in the interim results announcement of the Company for the six months ended 30 June 2022 which is expected to be published by end of August 2022.

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, 28 June 2022

As at the date of this announcement, the Board comprises six executive directors, namely Ms. CHU Lam Yiu, Messrs. LAM Ka Yu, XIA Liquan, 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*