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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 SIX MONTHS ENDED 30 JUNE 2023 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 2023 Half Yearly Report for the six months ended 30 June 2023 on 30 August 2023 on the information disclosure webpage of the ChiNext Market of Shenzhen Stock Exchange at [www.cninfo.com.cn](http://www.cninfo.com.cn) (巨潮資訊網).

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 six months ended 30 June 2023.

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, 30 August 2023

*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 Messrs. LEE Luk Shiu, Jonathan Jun YAN and HOU Haitao.*

*\* For identification purposes only*

**Principal accounting data and financial indicators of Huabao Flavours prepared in accordance with the PRC Accounting Standard for Business Enterprises for the six months ended 30 June 2023**

**APPENDIX I. PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS**

*Unit: RMB (Yuan)*

	<b>Current reporting period</b>	<b>Corresponding period last year</b>	<b>Increase/decrease of the current reporting period compared to the corresponding period last year</b>
Revenue	693,024,205	902,227,552	-23.19%
Net profit attributable to Huabao Flavours' shareholders	212,370,634	399,042,619	-46.78%
Net profit attributable to Huabao Flavours' shareholders less non-recurring items	142,985,681	299,722,636	-52.29%
Net cash flows arising from operating activities	282,909,076	228,956,600	23.56%
Basic earnings per share (RMB/share)	0.34	0.65	-47.69%
Diluted earnings per share (RMB/share)	0.34	0.65	-47.69%
Weighted average return on net assets	2.93%	5.26%	-2.33%
	<b>End of the current reporting period</b>	<b>End of last year</b>	<b>Increase/decrease of the end of the current reporting period compared to the end of last year</b>
Total assets	8,147,915,995	9,010,360,198	-9.57%
Net assets attributable to Huabao Flavours' shareholders	7,154,955,037	7,540,478,830	-5.11%

**APPENDIX II. NON-RECURRING GAIN/ LOSS ITEMS AND AMOUNTS**

*Unit: RMB (Yuan)*

<b>Items</b>	<b>Amount</b>	<b>Explanations</b>
Gain/loss from disposal of non-current assets, including the portion offset from the provision for impairment of assets	4,568,403	--
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)	72,120,194	--
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	13,835,523	--
Non-operating income and expenses other than the above items	-52,027	--
Investment income generated by disposal of subsidiaries and associates	-2,471,540	--
Less: Income tax impact	15,914,233	--
Minority interest impact (after tax)	2,701,367	--
<b>Total</b>	<b>69,384,953</b>	<b>--</b>

**APPENDIX III. ANALYSIS OF CHANGES IN MAJOR FINANCIAL DATA**
*Unit: RMB (Yuan)*

	<b>Current reporting period</b>	<b>Corresponding period last year</b>	<b>Increase/ Decrease</b>	<b>Reasons for changes</b>
Revenue	693,024,205	902,227,552	-23.19%	
Cost of goods sold	324,436,057	309,194,870	4.93%	
Selling expenses	49,064,425	87,496,346	-43.92%	Mainly due to the reduction in the cost of salespersons and the decline in market expansion investment during the reporting period
Administrative expenses	96,090,917	80,240,241	19.75%	
Finance expenses	-22,890,830	-27,177,743	15.77%	
Income tax expenses	38,760,841	81,126,974	-52.22%	Mainly due to the decline in profit during the reporting period
Research and development expenses	61,782,638	60,711,167	1.76%	
Net cash flows from operating activities	282,909,076	228,956,600	23.56%	
Net cash flows from investing activities	-1,141,885,475	993,379,530	-214.95%	Mainly due to the redemption of bank structural deposit products and the increase in new bank structured deposit products during the reporting period
Net cash flows from financing activities	-857,481,757	-844,298,968	-1.56%	
Net increase in cash and cash equivalents	-1,700,939,576	398,260,826	-527.09%	Mainly due to the decrease in the expiration of bank structural deposit products and the increase in new purchase of bank structural deposit products during the reporting period

**APPENDIX IV. SIGNIFICANT CHANGES IN ASSETS COMPONENTS**
*Unit: RMB (Yuan)*

	End of current reporting period		End of last year		Proportion increase or decrease	Explanations for significant changes
	Amount	Proportion to total assets	Amount	Proportion to total assets		
Cash at bank and on hand	1,897,222,228	23.28%	3,644,782,628	40.45%	-17.17%	Mainly due to the purchase of structural deposits and distribution of dividends during the reporting period
Accounts receivables	416,440,943	5.11%	659,468,738	7.32%	-2.21%	Mainly due to the recovery of some accounts receivables during the reporting period
Inventories	497,411,946	6.10%	502,504,932	5.58%	0.52%	
Investment property	29,079,226	0.36%	27,332,290	0.30%	0.06%	
Long-term equity investments	135,397,228	1.66%	185,081,568	2.05%	-0.39%	Mainly due to the disposal of equity interests in associates during the reporting period
Fixed assets	345,708,145	4.24%	315,823,524	3.51%	0.73%	
Construction in progress	78,486,764	0.96%	121,639,318	1.35%	-0.39%	Mainly due to the transfer of fixed assets from fundraising projects during the reporting period
Right-of-use assets	27,229,853	0.33%	32,821,154	0.36%	-0.03%	
Short-term loan	225,000,000	2.76%	490,000,000	5.44%	-2.68%	Mainly due to the repayment of loans during the reporting period
Contract liabilities	3,568,315	0.04%	4,496,968	0.05%	-0.01%	
Long-term loan	15,000,000	0.18%	0.00	0.00%	0.18%	
Lease liabilities	17,186,912	0.21%	22,314,907	0.25%	-0.04%	
Financial assets for trading purposes	2,772,622,756	34.03%	1,637,613,323	18.17%	15.86%	Mainly due to the purchase of structural deposits during the reporting period
Other disposal of non-current assets	46,673,018	0.57%	69,680,197	0.77%	-0.20%	Mainly due to the recovery of the repayment for the land purchase during the reporting period

	End of current reporting period		End of last year		Proportion increase or decrease	Explanations for significant changes
	Amount	Proportion to total assets	Amount	Proportion to total assets		
Payroll payable	28,577,231	0.35%	47,329,638	0.53%	-0.18%	Mainly due to the issuance of the annual performance bonus accrued at the end of the previous year during the reporting period
Other payables	67,738,373	0.83%	106,228,896	1.18%	-0.35%	Mainly due to the payment of capital project expenditures during the reporting period
Non-current liabilities due within one year	13,730,744	0.17%	34,929,832	0.39%	-0.22%	Mainly due to the repayment of some loans due within one year during the reporting period
Other comprehensive income	35,004,370	0.43%	17,018,797	0.19%	0.24%	Mainly due to differences in foreign currency translation during the reporting period