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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)**

**DISCLOSEABLE TRANSACTION**  
**SUBSCRIPTION OF FURTHER FINANCIAL PRODUCTS**

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The Board wishes to announce that on 18 September 2024, a member of the Group subscribed for financial products offered by the Bank of Hangzhou. The aggregate of the outstanding investment amount of the Financial Products subscribed by members of the Group from the Bank of Hangzhou amounted to RMB350 million as at the date of this announcement.

As at the date of this announcement, the Directors confirm that (i) except for the Financial Products that remain outstanding, all the other financial products acquired from the Bank of Hangzhou have been redeemed in full in accordance with their respective terms; (ii) the Group believes that reasonable interests in connection with the subscription of the Financial Products would be gained; and (iii) the subscription of the Financial Products would not cause any adverse impact on the financial position of the Group.

**IMPLICATIONS UNDER THE LISTING RULES**

Before the subscription of the Fourth Bank of Hangzhou Financial Product, all the applicable percentage ratios in relation to the First Bank of Hangzhou Financial Product, the Second Bank of Hangzhou Financial Product and the Third Bank of Hangzhou Financial Product, whether on a standalone basis or on an aggregated basis, when calculated pursuant to Rule 14.07 of the Listing Rules are below 5%, the subscription of the First Bank of Hangzhou Financial Product, the Second Bank of Hangzhou Financial Product and the Third Bank of Hangzhou Financial Product does not constitute a discloseable transaction under Chapter 14 of the Listing Rules.

However, after the subscription of the Fourth Bank of Hangzhou Financial Product, as the highest applicable percentage ratios in relation to the subscription of the Financial Products calculated on an aggregated basis pursuant to Rule 14.07 of the Listing Rules exceeds 5% but is below 25%, the subscription of the Financial Products would constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and hence is subject to the notification and announcement requirements set out under Rule 14.34 of the Listing Rules.

## **SUBSCRIPTION OF FURTHER FINANCIAL PRODUCTS**

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A summary of the Financial Products is set out below:

### **(i) First Bank of Hangzhou Financial Products**

Date of Agreement	:	4 September 2024
Parties	:	(1) Guangdong Jiahao (2) Bank of Hangzhou
Product	:	the capital protected structured deposit with an investment amount of RMB130 million
Approximate annual return rate	:	1.25% - 2.65%
Maturity date	:	30 September 2024
Expected interests to be received upon maturity	:	RMB209,424.66

### **(ii) Second Bank of Hangzhou Financial Products**

Date of Agreement	:	4 September 2024
Parties	:	(1) Jiahao Marketing (2) Bank of Hangzhou
Product	:	the capital protected structured deposit with an investment amount of RMB50 million
Approximate annual return rate	:	1.25% - 2.65%
Maturity date	:	30 September 2024
Expected interests to be received upon maturity	:	RMB80,547.95

(iii) Third Bank of Hangzhou Financial Products

Date of Agreement	:	4 September 2024
Parties	:	(1) Huabao Flavours (2) Bank of Hangzhou
Product	:	the capital protected structured deposit with an investment amount of RMB70 million
Approximate annual return rate	:	1.25% - 2.65%
Maturity date	:	26 September 2024
Expected interests to be received upon maturity	:	RMB93,972.60

(iv) Fourth Bank of Hangzhou Financial Products

Date of Agreement	:	18 September 2024
Parties	:	(1) Huabao Flavours (2) Bank of Hangzhou
Product	:	the capital protected structured deposit with an investment amount of RMB100 million
Approximate annual return rate	:	1.25% - 2.60%
Maturity date	:	30 September 2024
Expected interests to be received upon maturity	:	RMB65,753.42

## **CURRENT STATUS**

As at the date of this announcement, the Directors confirm that (i) except for the Financial Products that remain outstanding, all the other financial products acquired from the Bank of Hangzhou have been redeemed in full in accordance with their respective terms; (ii) the Group believes that reasonable interests in connection with the subscription of the Financial Products would be gained; and (iii) the subscription of the Financial Products would not cause any adverse impact on the financial position of the Group.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION OF THE FINANCIAL PRODUCTS**

In order to maximise the utilisation of the surplus cash balances in the capital account without affecting the operational liquidity, Huabao Flavours, Guangdong Jiahao and Jiahao Marketing utilised part of their bank balances to subscribe for the Financial Products offered by the Bank of Hangzhou with a view to achieving higher interest yields whilst maintaining high liquidity and relatively low risk exposure.

Taking into account of, among others, (i) the capital-protected nature of the Financial Products; (ii) the relatively low risk exposure of the Financial Products; (iii) the better expected rate of return than normal bank deposits generally offered by commercial banks in the PRC; and (iv) the relatively shorter terms to maturity, i.e. within twelve months, the Company considered that the Financial Products would provide the Group with better earnings in the long term than making normal bank deposits with terms offered by licensed commercial banks in the PRC. The Financial Products have been closely and effectively monitored and managed by the Group.

As at the date of this announcement, the Group expected to gain interests on each of the Financial Products (the interests of which will be recorded on maturity). Further, the Financial Products were funded by the surplus cash balances of the Group and are highly liquid, therefore the investment in the Financial Products would not affect the working capital or the operation of the Group. As such, the Directors are of the view that the terms of each of the Financial Products are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

#### **IMPLICATIONS UNDER LISTING RULES**

Before the subscription of the Fourth Bank of Hangzhou Financial Product, all the applicable percentage ratios in relation to the First Bank of Hangzhou Financial Product, the Second Bank of Hangzhou Financial Product and the Third Bank of Hangzhou Financial Product, whether on a standalone basis or on an aggregated basis, when calculated pursuant to Rule 14.07 of the Listing Rules are below 5%, the subscription of the First Bank of Hangzhou Financial Product, the Second Bank of Hangzhou Financial Product and the Third Bank of Hangzhou Financial Product does not constitute a discloseable transaction under Chapter 14 of the Listing Rules.

However, after the subscription of the Fourth Bank of Hangzhou Financial Product, as the highest applicable percentage ratios in relation to the subscription of the Financial Products calculated on an aggregated basis pursuant to Rule 14.07 of the Listing Rules exceeds 5% but is below 25%, the subscription of the Financial Products would constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and hence is subject to the notification and announcement requirements set out under Rule 14.34 of the Listing Rules.

The Company will closely monitor and review the status of the subscription of the financial products of the Bank of Hangzhou and will make further announcement(s) in compliance with the Listing Rules.

## **INFORMATION OF PARTIES INVOLVED IN THE SUBSCRIPTION OF FINANCIAL PRODUCTS**

### ***The Group***

The Group is principally engaged in the research and development, production, distribution and sales of flavours and fragrances and food ingredients, tobacco raw materials (comprising the reconstituted tobacco leaves and tobacco new materials), aroma raw materials and condiment products in the PRC.

Jiahao Marketing is wholly owned by Guangdong Jiahao which in turn is an indirect non-wholly owned subsidiary of the Company. The principal businesses of Jiahao Marketing and Guangdong Jiahao are sales, marketing and distribution of condiment products in the PRC and production, sales, marketing and distribution of condiment products in the PRC, respectively.

Huabao Flavours is an indirect non-wholly owned subsidiary of the Company, the shares of which are listed on the ChiNext Market of Shenzhen Stock Exchange (Stock Code: 300741). Huabao Flavours is principally engaged in the research and development, production and sales of flavours and fragrances and food ingredients in the PRC.

### ***Counter Party***

Bank of Hangzhou is a commercial bank principally engaged in banking services and the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600926).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry and based on the public information available to the Company, the Bank of Hangzhou and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

## **DEFINITIONS**

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

“Bank of Hangzhou”	Bank of Hangzhou Co., Ltd.
“Board”	the board of Directors of the Company
“Company”	Huabao International Holdings Limited, a 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 in the Listing Rules

“Director(s)”	director(s) of the Company
“Financial Products”	collectively, the First Bank of Hangzhou Financial Product, the Second Bank of Hangzhou Financial Product, the Third Bank of Hangzhou Financial Product and the Fourth Bank of Hangzhou Financial Product
“First Bank of Hangzhou Financial Product”	the capital protected structured deposit with an investment amount of RMB130 million pursuant to a subscription agreement entered into between Guangdong Jiahao and Bank of Hangzhou dated 4 September 2024
“Fourth Bank of Hangzhou Financial Product”	the capital protected structured deposit with an investment amount of RMB100 million pursuant to a subscription agreement entered into between Huabao Flavours and Bank of Hangzhou dated 18 September 2024
“Group”	the Company and its subsidiaries, as appropriate and regardless of whether directly or indirectly owned
“Guangdong Jiahao”	Guangdong Jiahao Foodstuff Co., Ltd.
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Huabao Flavours”	Huabao Flavours & Fragrances Co., Ltd.
“Jiahao Marketing”	Guangdong Jiahao Marketing Co., Ltd.
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Second Bank of Hangzhou Financial Product”	the capital protected structured deposit with an investment amount of RMB50 million pursuant to a subscription agreement entered into between Jiahao Marketing and Bank of Hangzhou dated 4 September 2024
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“Third Bank of Hangzhou Financial Product”	the capital protected structured deposit with an investment amount of RMB70 million pursuant to a subscription agreement entered into between Huabao Flavours and Bank of Hangzhou dated 4 September 2024
“%”	per cent

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

Hong Kong, 18 September 2024

*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*