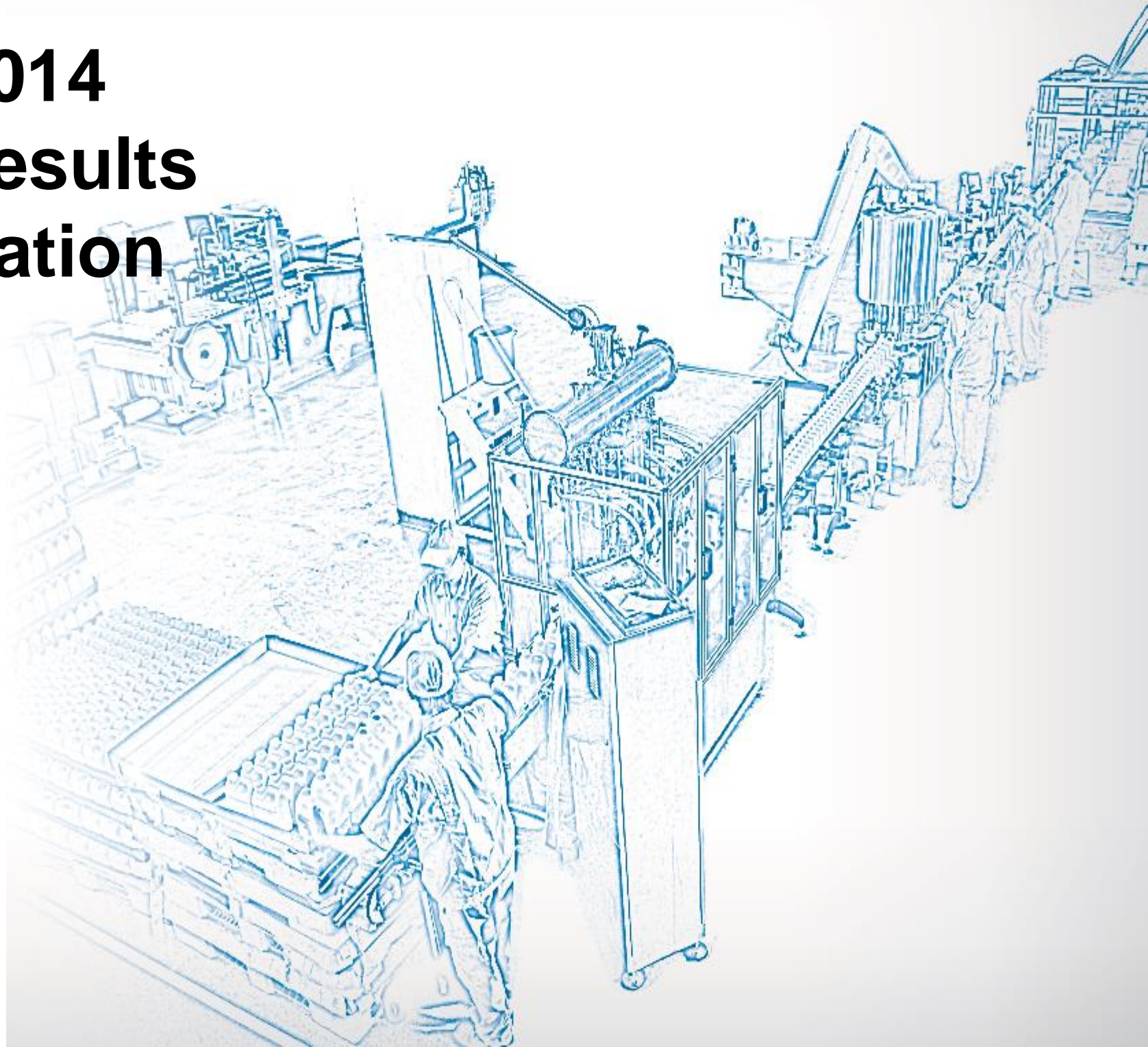


2013/2014 Interim Results Presentation



Disclaimer

Information contained in our presentation is intended solely for your personal reference and is strictly confidential. Such information is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning the company, thus all information shall refer to the official announcements from the Company. Huabao International Holdings Limited makes no representation regarding, and assumes no responsibility or liability for, the accuracy or completeness of, or any errors or omissions in, any information contained herein.

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Financial review for the first half of the fiscal year

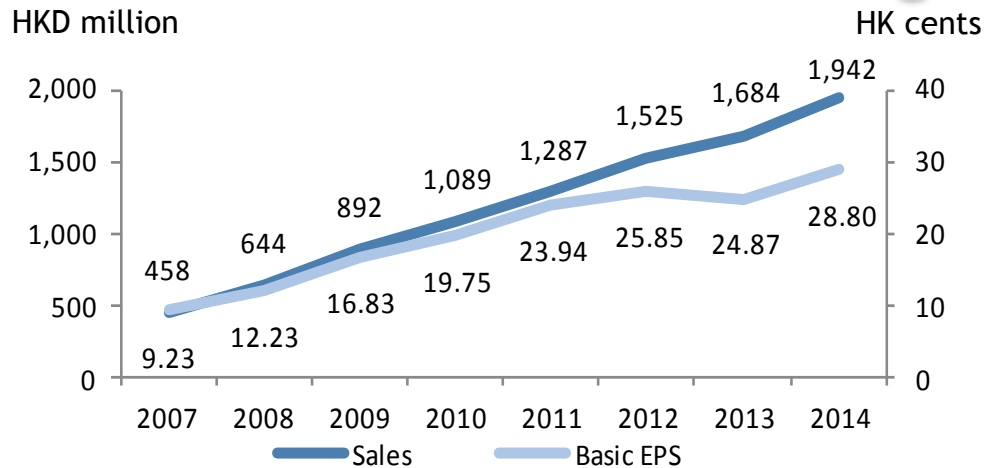
	As at 30 Sept 2013 (HKD '000)	As at 30 Sept 2012 (HKD '000)	Change in Percentage (%)
Sales	1,941,939	1,684,042	+15.3%
Gross profit margin	68.6%	68.1%	
Operating profit	1,042,925	898,188	+16.1%
EBITDA margin *	58.6%	57.0%	
EBIT margin	53.7%	53.3%	
Profit attributable to shareholders	893,188	784,903	+13.8%
Basic EPS (HK cents)	28.80	24.87	+15.8%
Net cash generated from operating activities	849,872	706,608	+20.3%
Net cash **	2,577,600	1,764,381	+46.1%
Interim dividend per share (HK cents)	8.68	7.48	+16.0%
Special dividend per share (HK cents)	2.88	2.48	+16.1%
Payout ratio	40%	40%	

* EBITDA = EBIT + depreciation + intangible asset amortization + option expenses

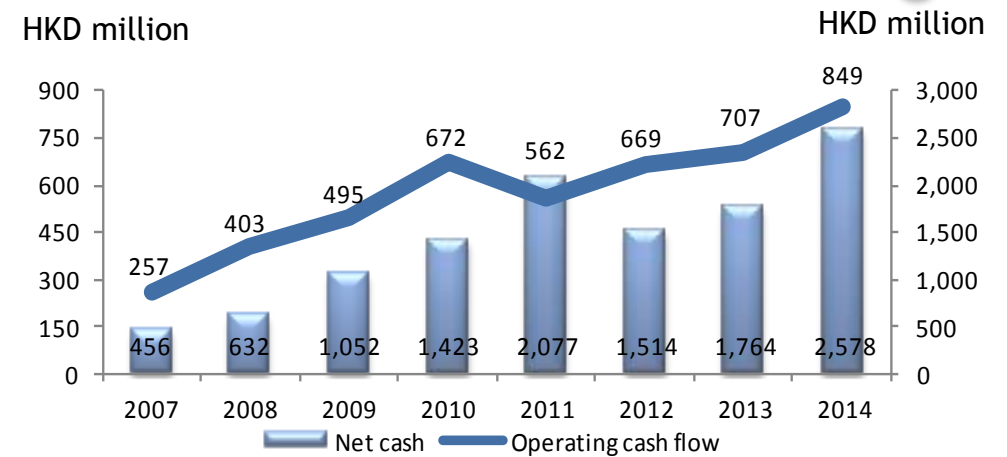
** Net cash = short-term time deposits + cash and cash equivalents – borrowings

Steady growth of operating business, determined to safeguard shareholders' value

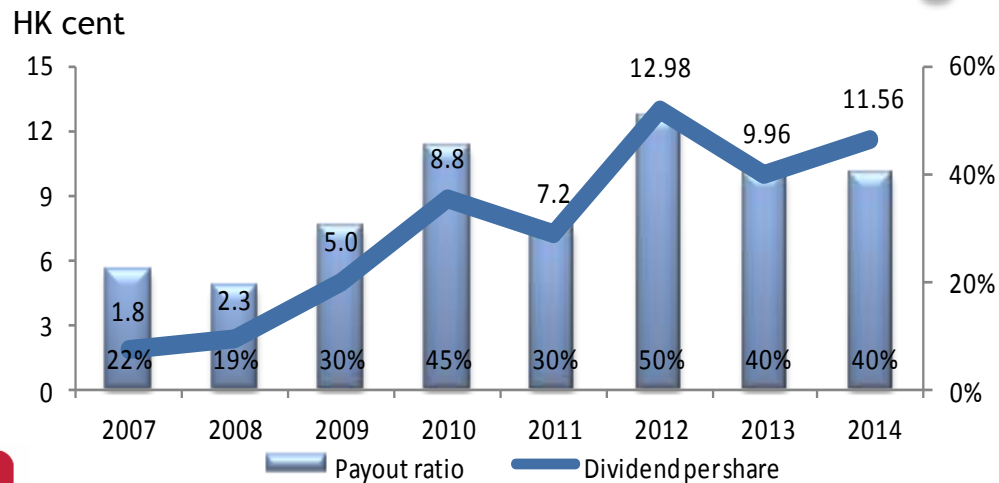
Sales revenue and Basic EPS (interim)



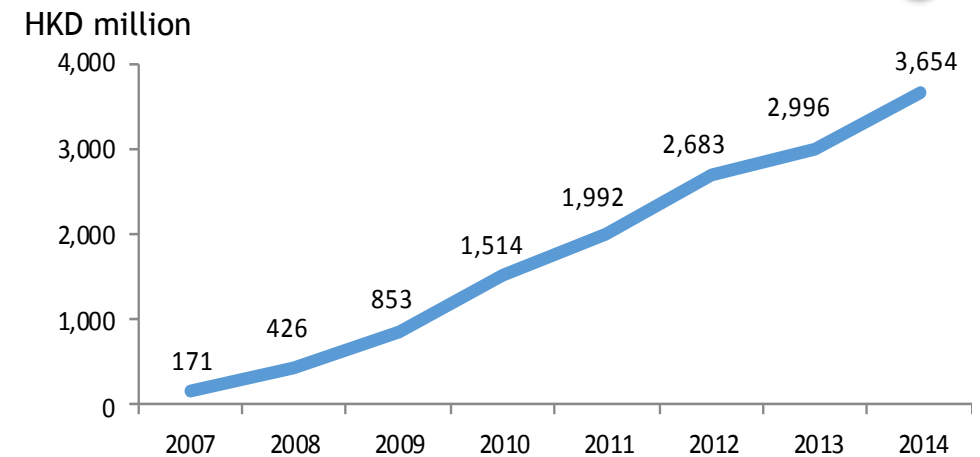
Operating cash flow and net cash (interim)



Dividend per share and payout ratio (interim)



Accumulated paid and declared dividend*



* 2013/14 interim and special dividends total is calculated based on total outstanding shares as at 26 November 2013

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Flavours segment review

Chart 1: Sales in the past 3 years (interim)

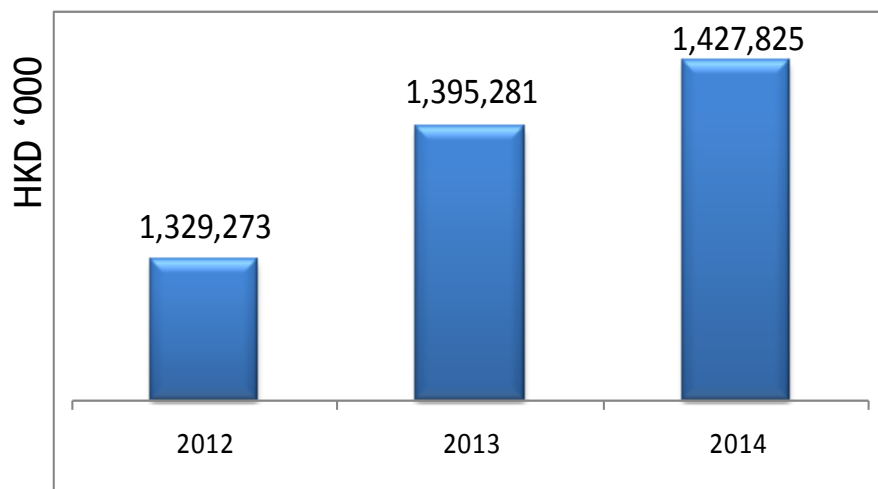


Chart 2: Segment major financial indicators

HKD '000	2014	2013
EBIT	867,496	843,437
EBIT margin	60.8%	60.4%

Results Analysis

- ◆ Production volume of the tobacco industry in the first half this year has slightly declined:
 - Production volume decreased by 0.4%, where sales volume grew by 1.3%;
 - The STMA has tightened on inventory control, with an aim to digest the inventory and optimize the structure of the industry in the absence of significant increase in production output
- ◆ Segment maintained a steady growth momentum, revenue reached HKD1.43 billion, represents a 2.3% growth
- ◆ EBIT margin reached 60.8%, represents an increase of 0.4 percentage point

Fragrances segment review

Chart 1: Sales in the past 3 years (interim)

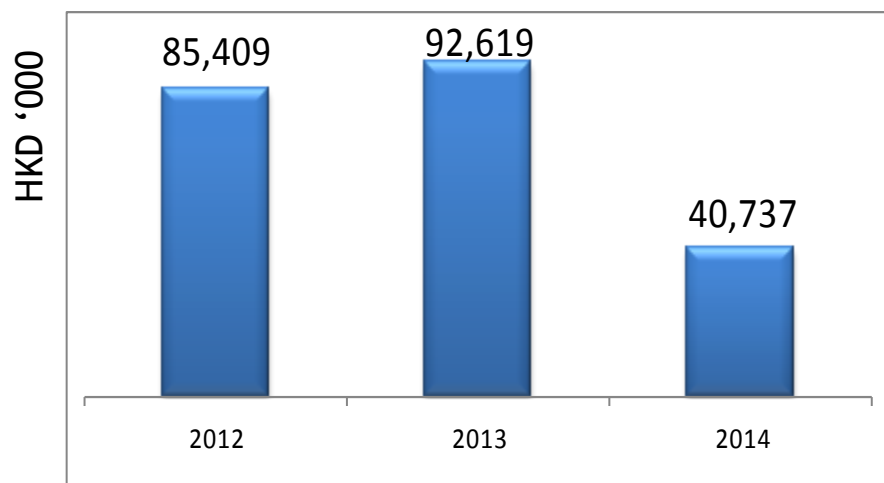


Chart 2: Segment major financial indicators

HKD '000	2014	2013
EBIT	4,010	5,848
EBIT margin	9.8%	6.3%

Results Analysis

- ◆ Sales revenue dropped 56% to HKD40.7 million, mainly due to the Group disposed the equity interest of Yunnan Huaxiangyuan
- ◆ Xiamen Amber recorded a relatively stable growth in the fields of aromatic, sanitizing and pesticide businesses which it focused on during April and September, a general period of slack sales in the industry, and even achieved a significant increase in terms of business scale with some major customers such as Lanju
- ◆ Xiamen Amber will then continue to boost the preparation of its key city-level laboratory, so as to set up its own technological integration system with control over raw material quality, flavouring development and application services

RTL segment review

Chart 1: Sales in the past 3 years (interim)

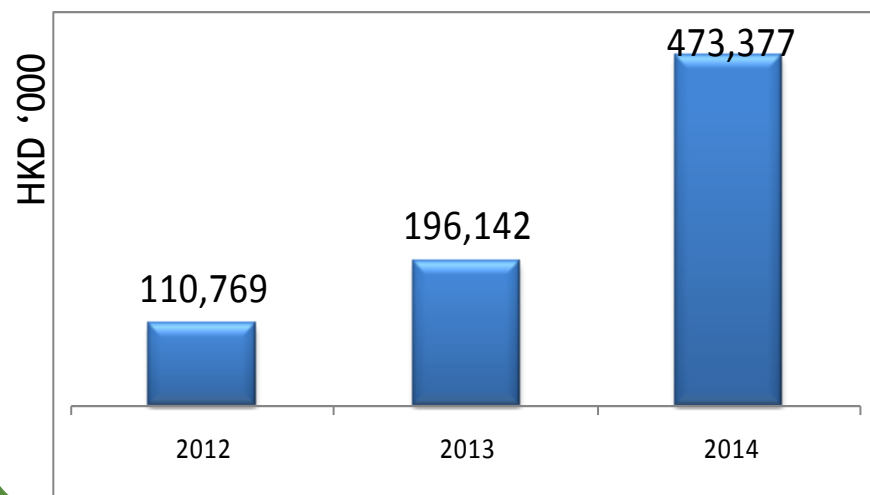


Chart 2: Segment major financial indicators

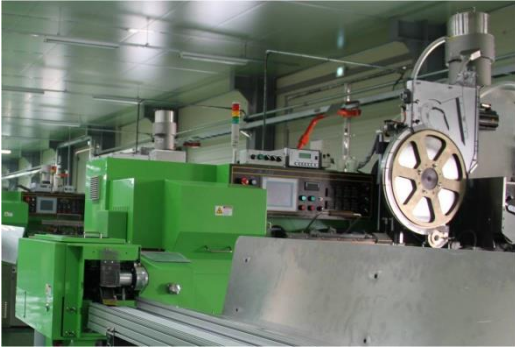
HKD '000	2014	2013
EBIT	181,345	60,482
EBIT margin	38.3%	30.8%

Results Analysis

- ◆ With the contribution from second phase of Guangdong Jinye production line, segment revenue significantly increased to HKD473 million, representing a growth of 141.3%
- ◆ EBIT significantly increased 199.8% to HKD181 million, EBIT margin elevated 7.5 percentage points to 38.3%
- ◆ The Group has been consistently promoting the workmanship upgrade of Guangdong Jinke by its R&D and operational team with international level, and also capacity ramp-up of second phase of Guangdong Jinye production line
- ◆ Currently, the Group's product quality and production efficiency have reached domestically leading level

New cigarette materials updates

- ◆ Besides RTL, the Group has also obtained progressive results on other experimental products and technologies in the field of new cigarette materials. Recent developments are focused on three platforms, they are:



- ◆ Cigarette smoke transmission technological platform -
 - R&D of cigarette filters to control the sensory and quality of smoke and other personalized functions



- ◆ Specialized RTL technological platform -
 - research and application of a specialized water-less RTL production technology



- ◆ Innovative tobacco stem technological platform -
 - established to render further craft process in respect of tobacco stem raw materials and realize effective improvement of the application of such materials

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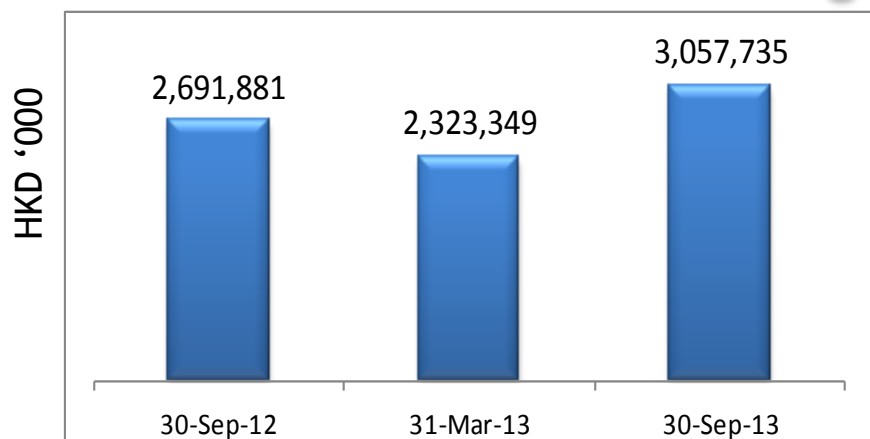
Stable financial indicators

(HKD '000)	As at 30 September 2013	As at 30 September 2012
Sales revenue	1,941,939	1,684,042
Breakdown of sales: Flavours (73.5%)	1,427,825	1,395,281
Fragrances (2.1%)	40,737	92,619
RTL (24.4%)	473,377	196,142
Gross Profit margin	68.6%	68.1%
EBIT margin	53.7%	53.3%
Breakdown : Flavours	60.8%	60.4%
Fragrances	9.8%	6.3%
RTL	38.3%	30.8%
SG&A to revenue	19.3%	18.1%
Breakdown : R&D to Sales	5.5%	5.8%
Income tax expenses	157,462	109,702
Income tax rate	14.9%	12.1%

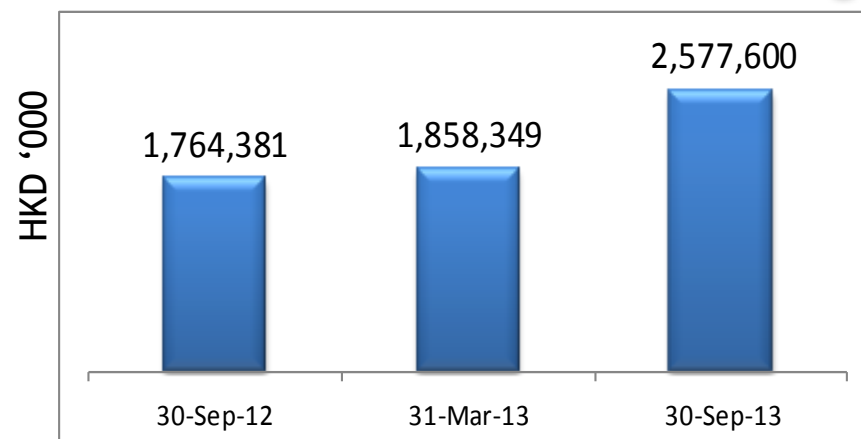


Stable financial position and capital expenditures

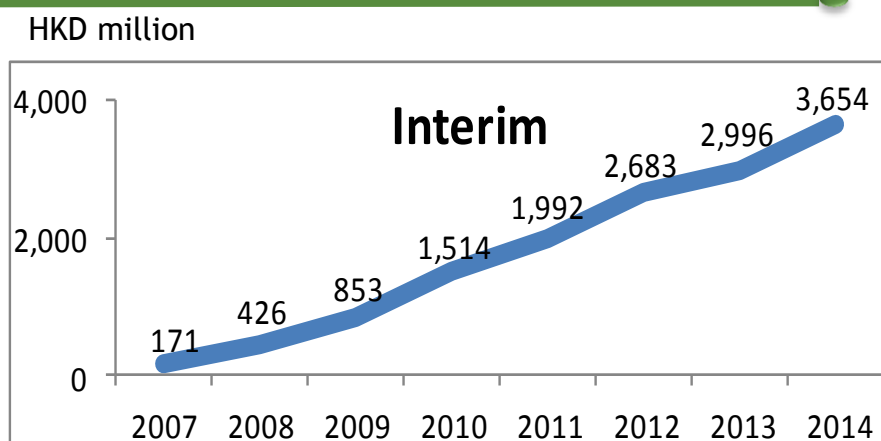
Cash and bank balances *



Net cash



Accumulated paid and declared dividend



Updates on Capex

- ◆ Capex in the first half amounted to approximately HKD164 million, among which, approximately HKD66.5 million was injected into Huangguoshu Jinye investment project
- ◆ Full year should be within the budgeted HKD400-500 million range

* Bank and cash balances = short-term time deposits + cash and cash equivalents

Working capital overview

HKD '000	As at September 30 2013	As at March 31 2013	Change
Inventory (a)	761,418	702,316	+8.4%
➤ Inventory turnover period (days)	216	219	Stable with a slight decline
Trade receivable (b)	886,485	815,507	+8.7%
➤ Debtors' turnover period (days)	80	72	Temporary increased due to a customer's internal adjustment to accounts payable
Trade payable (c)	424,263	378,162	+12.2%
➤ Creditors' turnover period (days)	119	118	Stable
Working capital employed (a+b-c)	1,223,640	1,139,661	+7.4%



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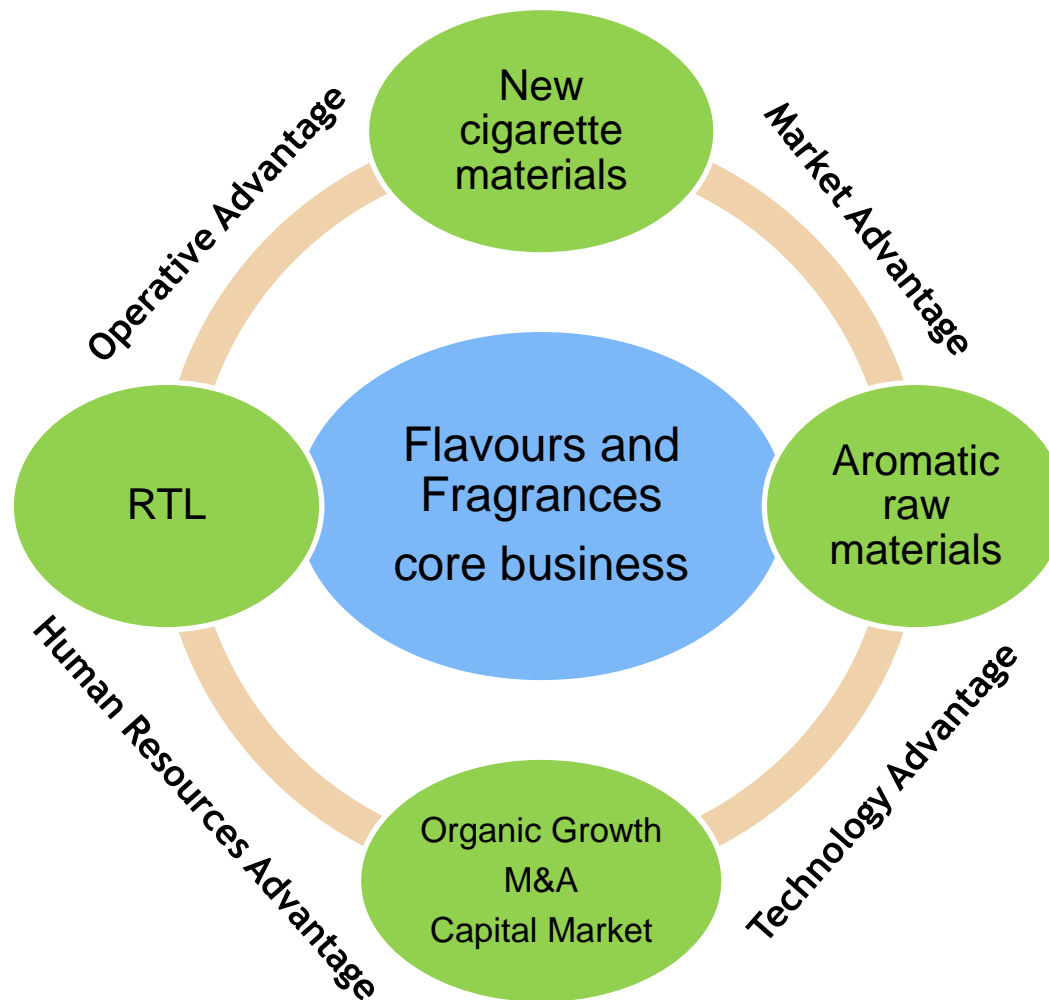
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Multi-pronged, focus growth strategy



To establish an integrated core value chain,
and achieve multi-engine growth

