



HUABAO INTERNATIONAL HOLDINGS LIMITED

華寶國際控股有限公司

2022 Annual Results Presentation

31 March 2023



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- The latest developments of the Company are subject to the official announcement on the HKEX by the Company.





01

Financial Review

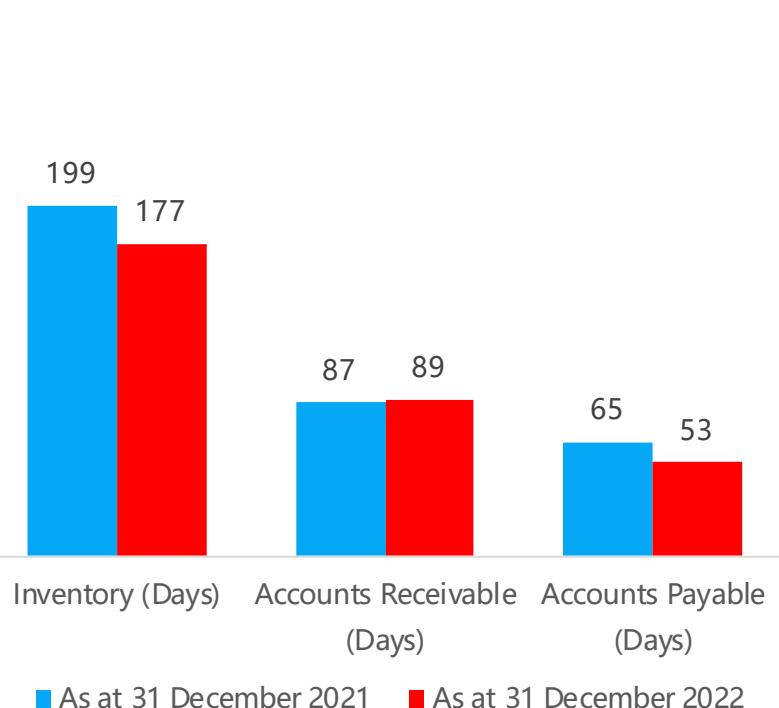
Results Highlights

Revenue RMB3,830 Million -1.4% YOY	Gross Margin 49.0% -10.2 p.p. YoY	EBITDA Margin* 32.2% -11.3 p.p. YoY
EBIT Margin* 23.5% -12.8 p.p. YOY	Net Profit to Equity Holders of the Group* RMB445 Million -54.1% YoY	Basic and Diluted Earnings Per Share* RMB13.77 Cents -55.8% YoY
	Annual Dividend Per Share* HKD8.48 Cents	



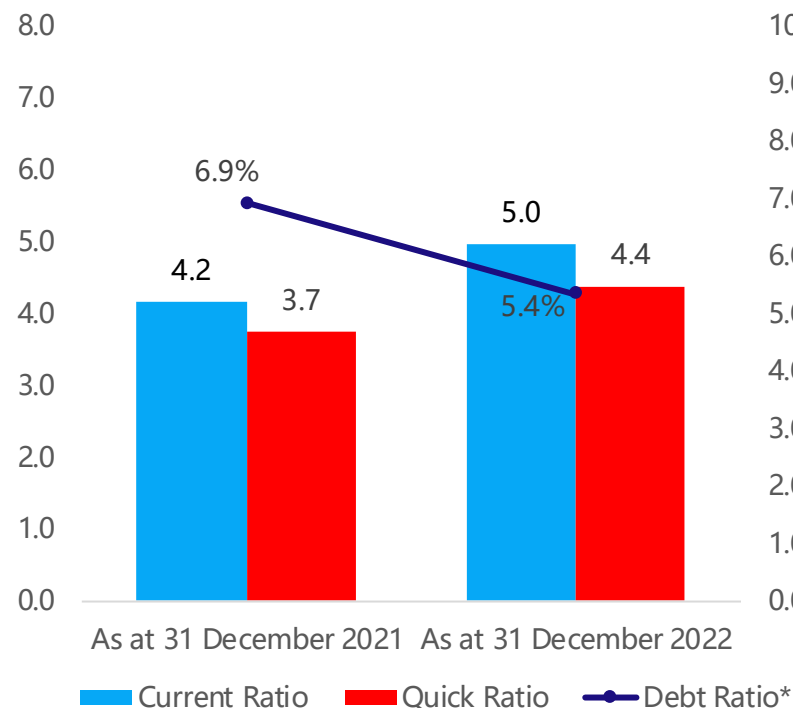
Operational Efficiency and Financial Condition Analysis

Operating Efficiency



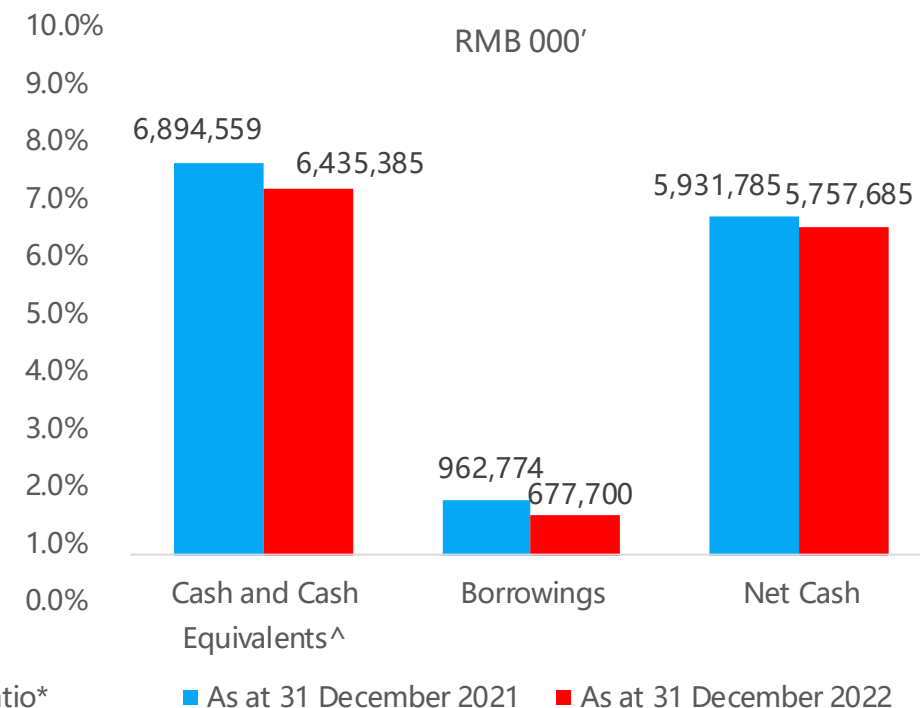
- Cash conversion cycle decreased by 8 days and operational efficiency improved

Financial Condition



- Good liquidity and healthy balance sheet

Cash Condition



- Affluent cash to secure the Group's operation and development



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*Debt ratio=current and non-current borrowings/total equity(non-controlling equity excluded)

*Cash and Cash Equivalents=Cash + Short -term Deposits + Financial Products (Stated in the "Financial assets at fair value through profit or loss/other comprehensive income" under the current assets)

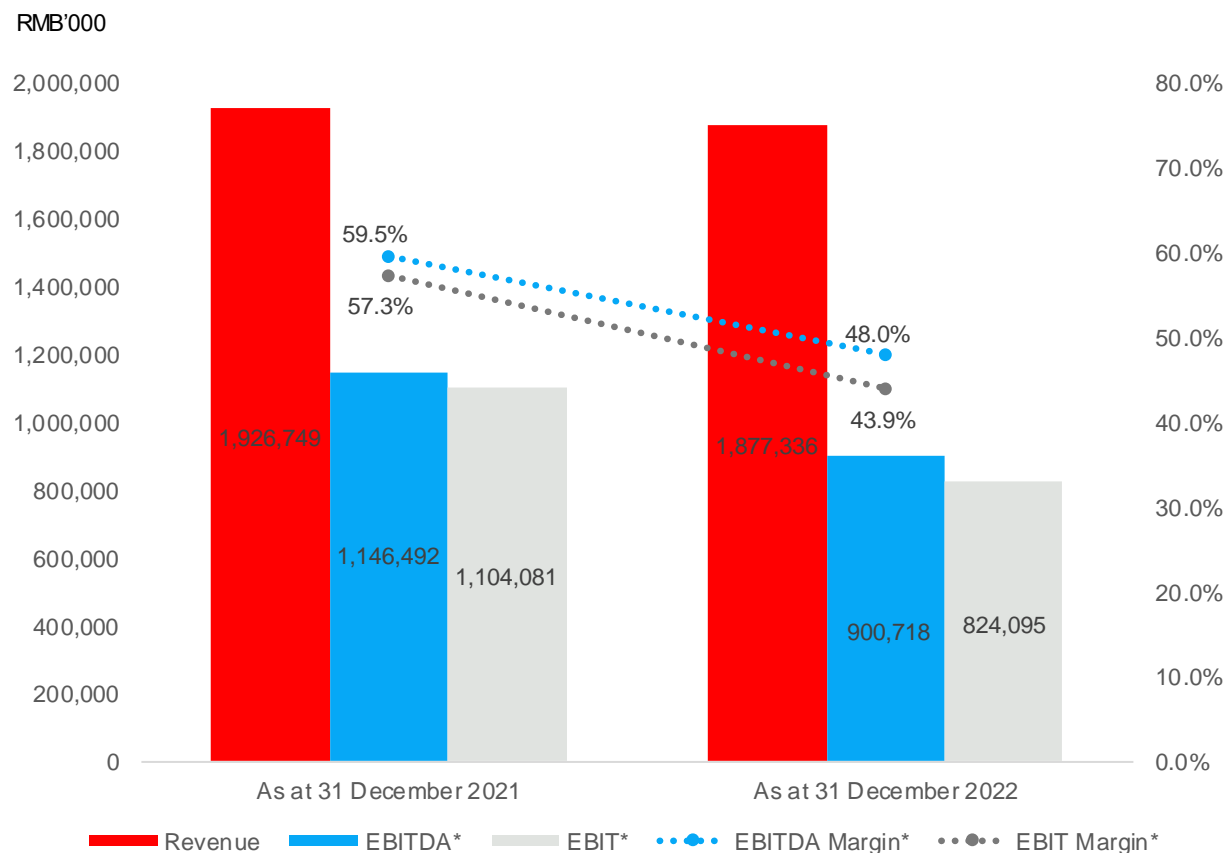


02

Business Review

F&F and Food Ingredients

Operational Performance



Business Development

Tobacco Flavour:

- Focus on the R&D of HNB tobacco flavour to improve user experience

Food Flavour:

- Huabao Asia Pacific team completed and will develop F&B clients in Southeast Asia

Fragrances:

- Strengthened R&D and the sales in personal care and room fragrance products

Food Ingredients:

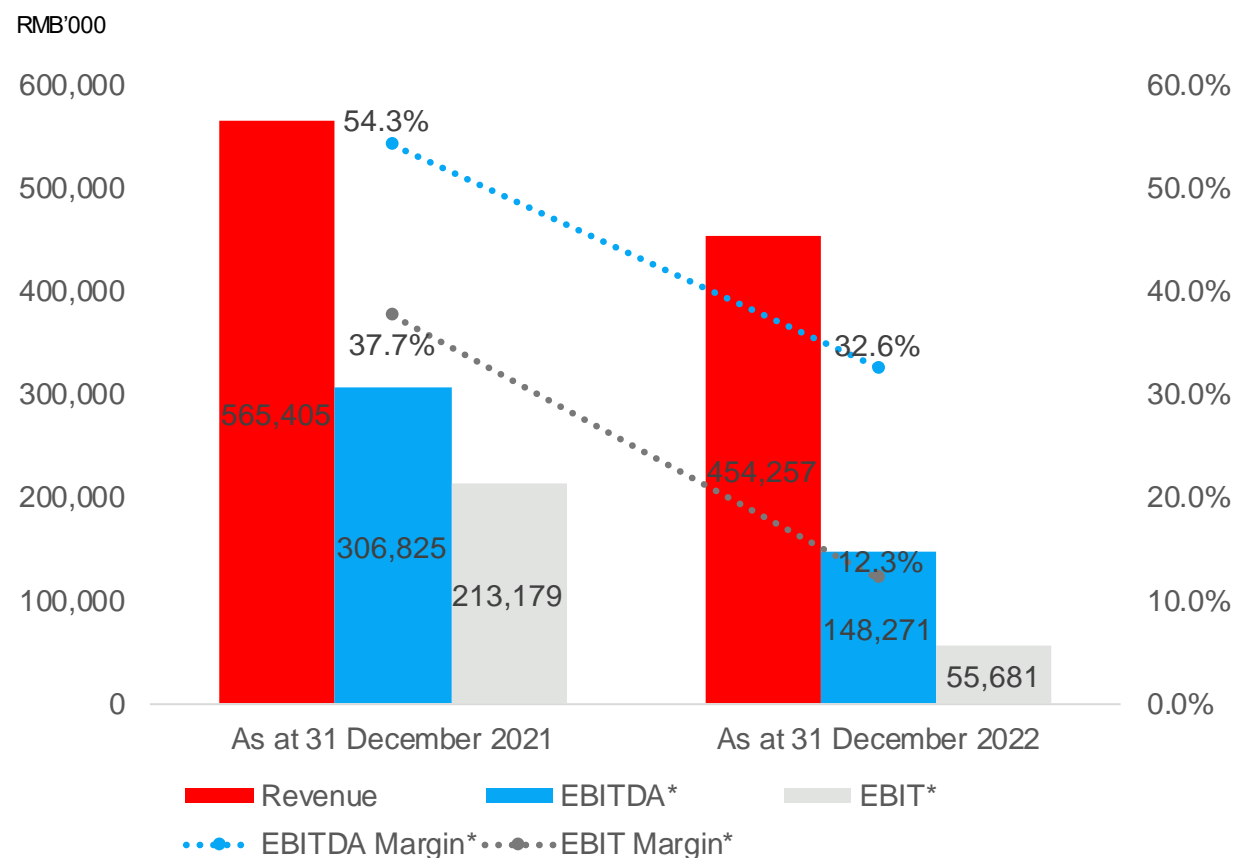
- Exert the synergies between the Group and Shanghai Yifang too boost sales



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Tobacco Raw Materials

Operational Performance



Business Development

RTL

- The quality and ESG standards of the plant in Indonesia was accredited and could provide quality products to international customers

Tobacco New Materials

- Leveraged the experience and technology in capsules to provide foods customers with crystogen and capsule products



The construction of the plant in Indonesia was completed

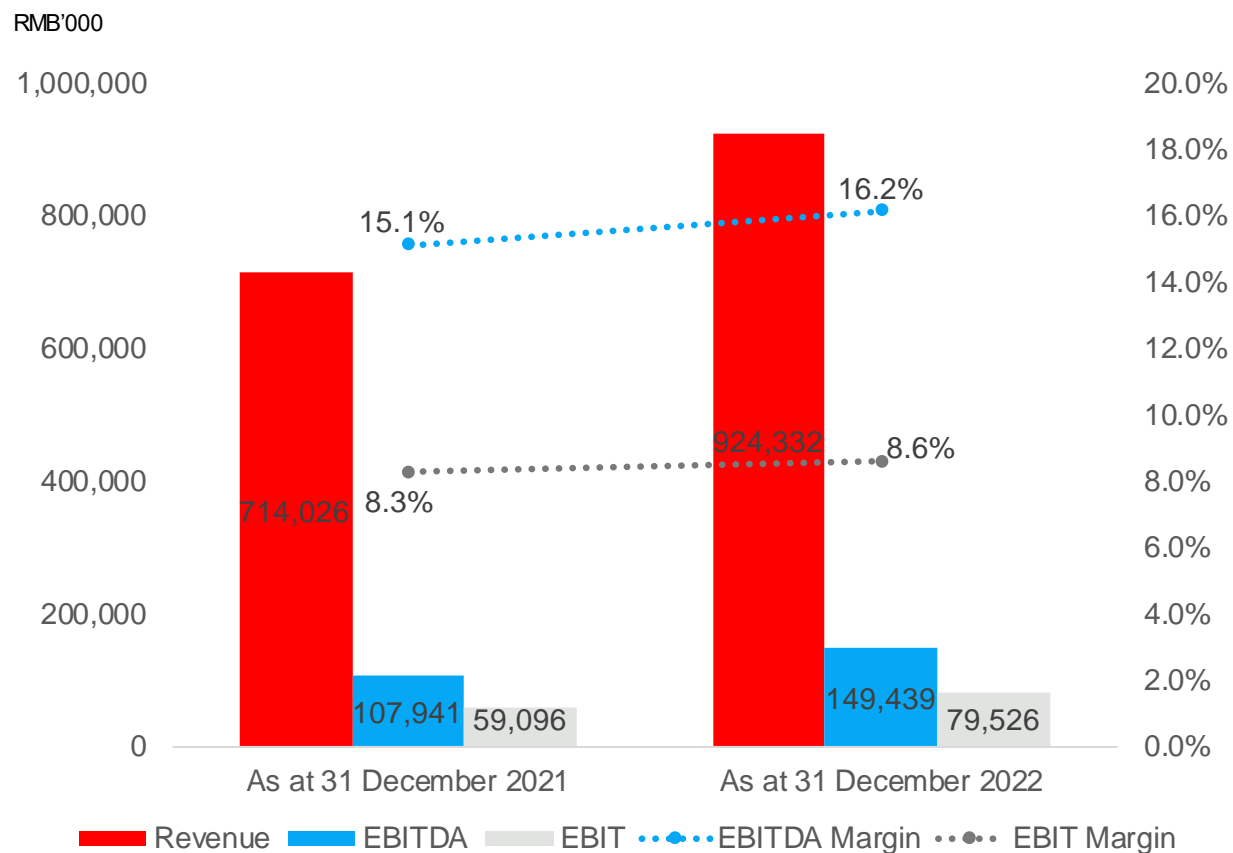


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*Numbers and ratios calculated excluding the goodwill impairment of RMB293 million of the CGU of RTL in 2021 and 2022 respectively

Aroma Raw Materials

Operational Performance



Business Development

Jiangxi Xianghai Achieved Mass Production

- Jiangxi Xianghai has standardized production and management system, successfully achieved mass production, and improved the segment's sales and margins



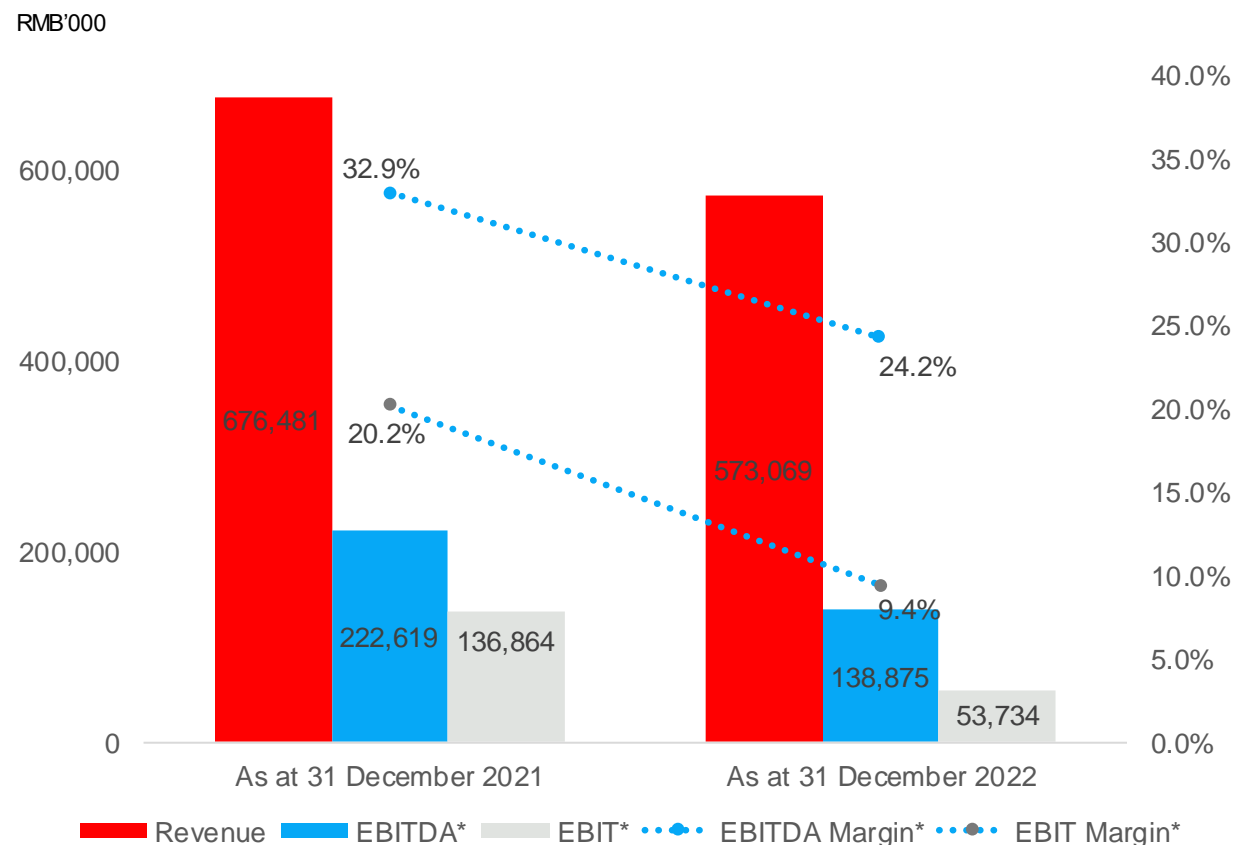
Jiangxi Xianghai, located in Xinyu Jiangxi Province, is the manufacturing base of the Group's aroma raw materials business



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Condiments

Operational Performance



Business Development

Product Mix

- Launched products with high cost performance to assist clients to reduce costs and improve efficiency

Sales Channels

- Sales channels further penetrated to develop more sales points in counties and townships

Marketing Strategies

- Theme marketing activities to have clients know the using methods of the products and boost clients' brand loyalty



*Numbers and ratios are calculated excluding the impact of the goodwill impairment of RMB1,170 million of the CGU of the condiment segment in 2022

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03

Outlook

Outlook

Strategies

F&F and Food Ingredients

- ✓ Improve the R&D capabilities and reserves in HNB tobacco products
- ✓ Boost the sales proportion of foods flavours and fragrances
- ✓ Exert synergies to boost the growth of the food ingredients business

Tobacco Raw Materials

- ✓ Improve the R&D capabilities and technology reserves in innovative tobacco products
- ✓ Expand overseas business and production capacity in good time

Aroma Raw Materials

- ✓ Optimize the procurement and management process of the raw materials to reduce production costs
- ✓ Promote safety education and production to boost sustainable production and development capabilities

Condiments

- ✓ Leverage the recovery of the catering industry to boost sales and increase revenue
- ✓ Optimize the layout of the distributors, further sales channels penetration, and strengthen sales network



Thanks for watching!



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