



# 2022 Interim Results Presentation

29 August 2022



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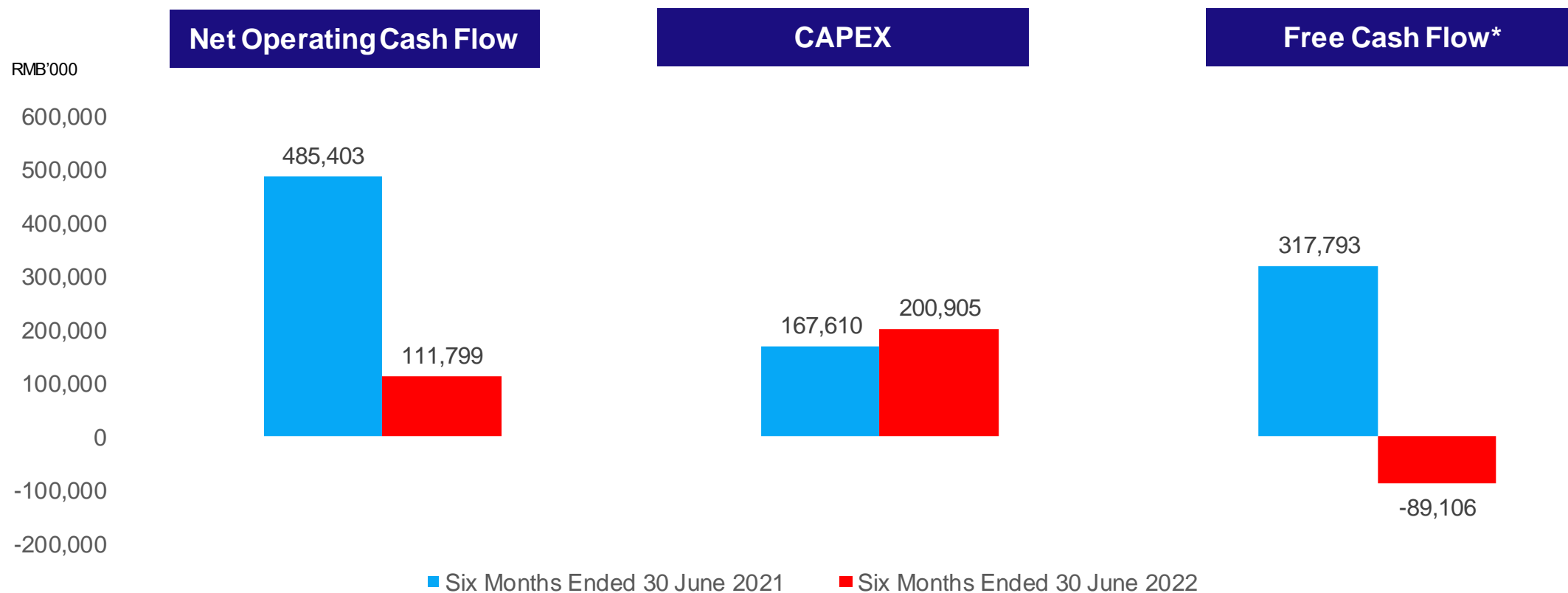
## Financial Review

# Financial Highlights

<b>Revenue</b> <b>RMB1,847 Million</b>  <b>+0.7% YOY</b>	<b>Gross Margin</b> <b>52.4%</b>  <b>-4.2 p.p. YoY</b>	<b>EBITDA Margin*</b> <b>43.5%</b>  <b>-15.2 p.p. YoY</b>
<b>EBIT Margin*</b> <b>36.3%</b>  <b>-16.0 p.p. YOY</b>	<b>Net Profit to shareholders of the Group*</b> <b>RMB 300 Million</b> <b>-37.5% YoY</b>	<b>Basic and Diluted Earnings Per Share*</b> <b>RMB 9.31 cents</b>
	<b>Special Dividend Per Share*</b> <b>HKD 3.38 Cents</b>	



# Cash Flow Analysis

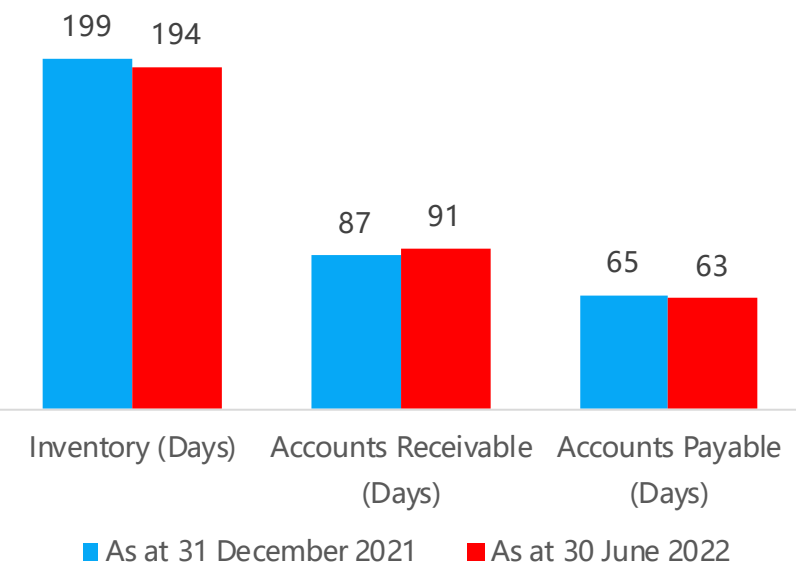


\*Free Cash Flow=Net Operating Cash Flow-Capex



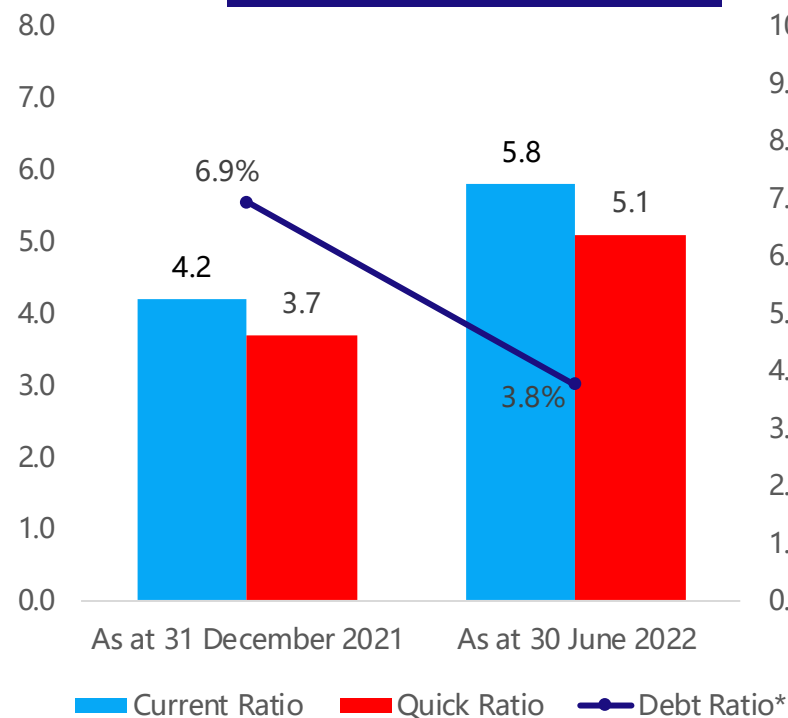
# Operational Efficiency and Financial Condition Analysis

## Operating Efficiency



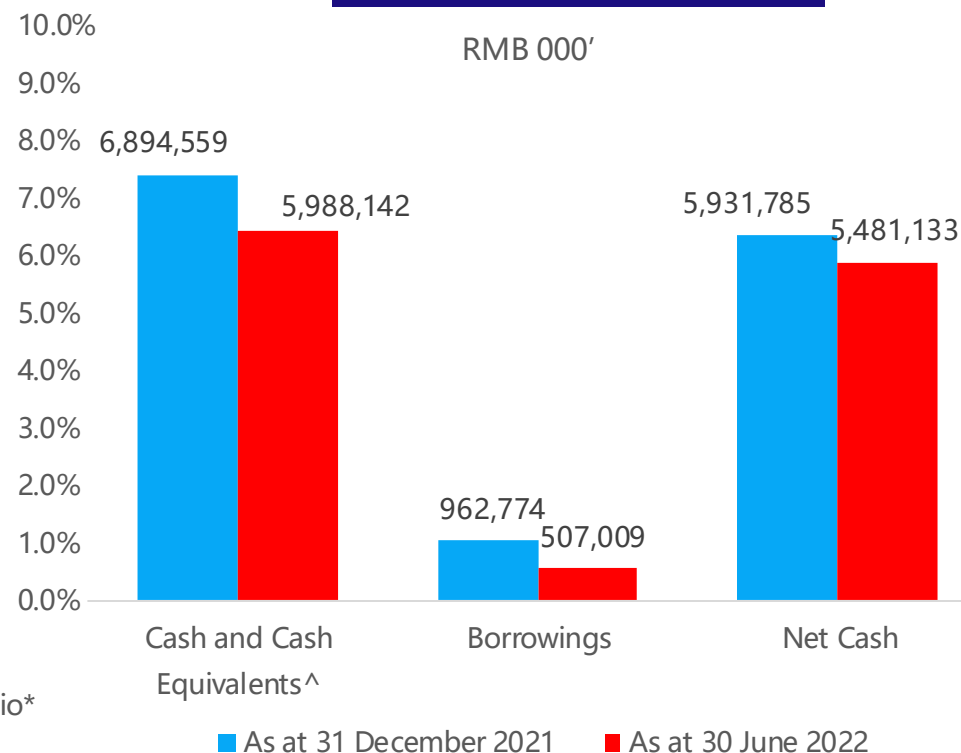
➤ Operational efficiency remained stable

## Financial Condition



➤ Good liquidity and healthy balance sheet

## Cash Position



➤ Affluent cash to secure the operation and development of the Group



Flavour Your Life

\*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)

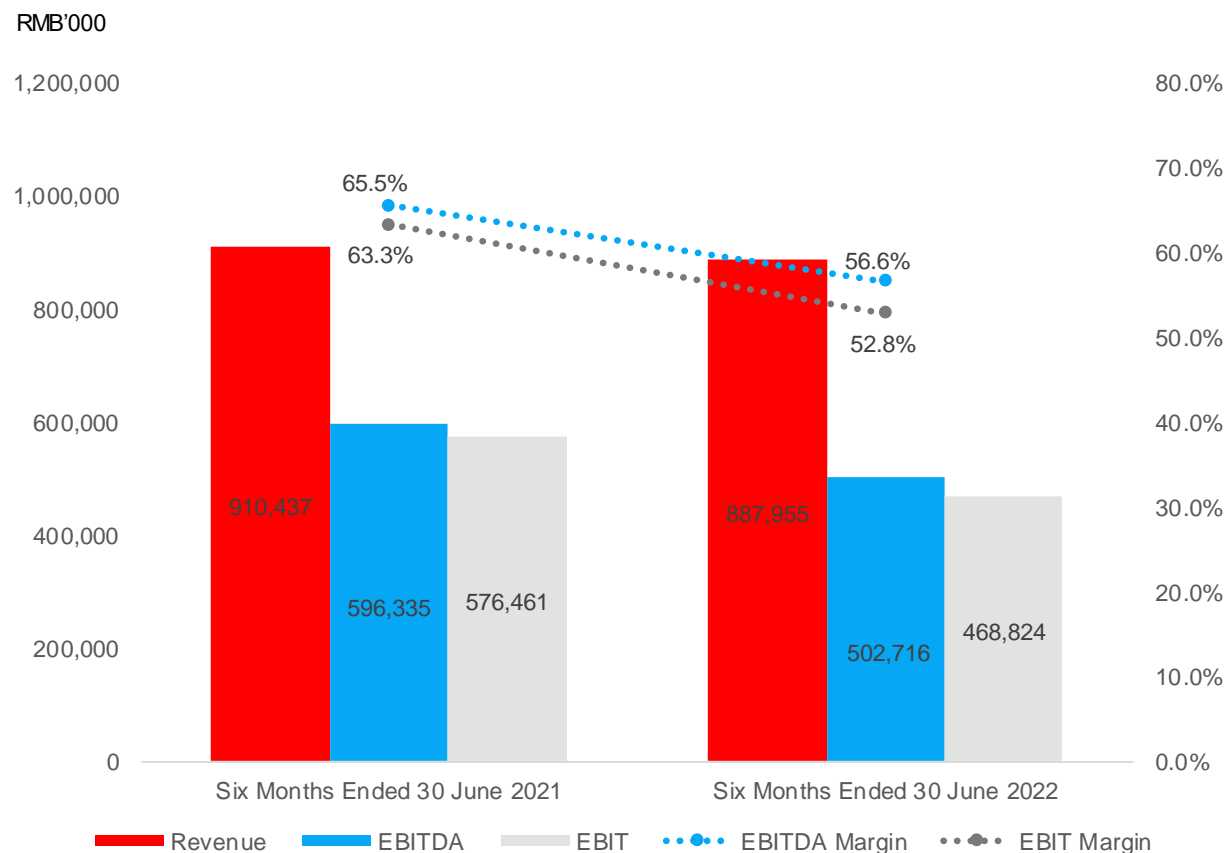


02

Business Review

# Flavours and Fragrances and Food Ingredients

## Operational Performance



## Business Development

### Focus on the HNB Tobacco Market

- Focus on the supply chain, technology, and market prospect of the HNB tobacco flavour

### Huabao Asia Pacific to Develop New Customers and Market

- Huabao Asia Pacific in Singapore to further the Group's business internationalization

### Further the Development of the Food Ingredients Business

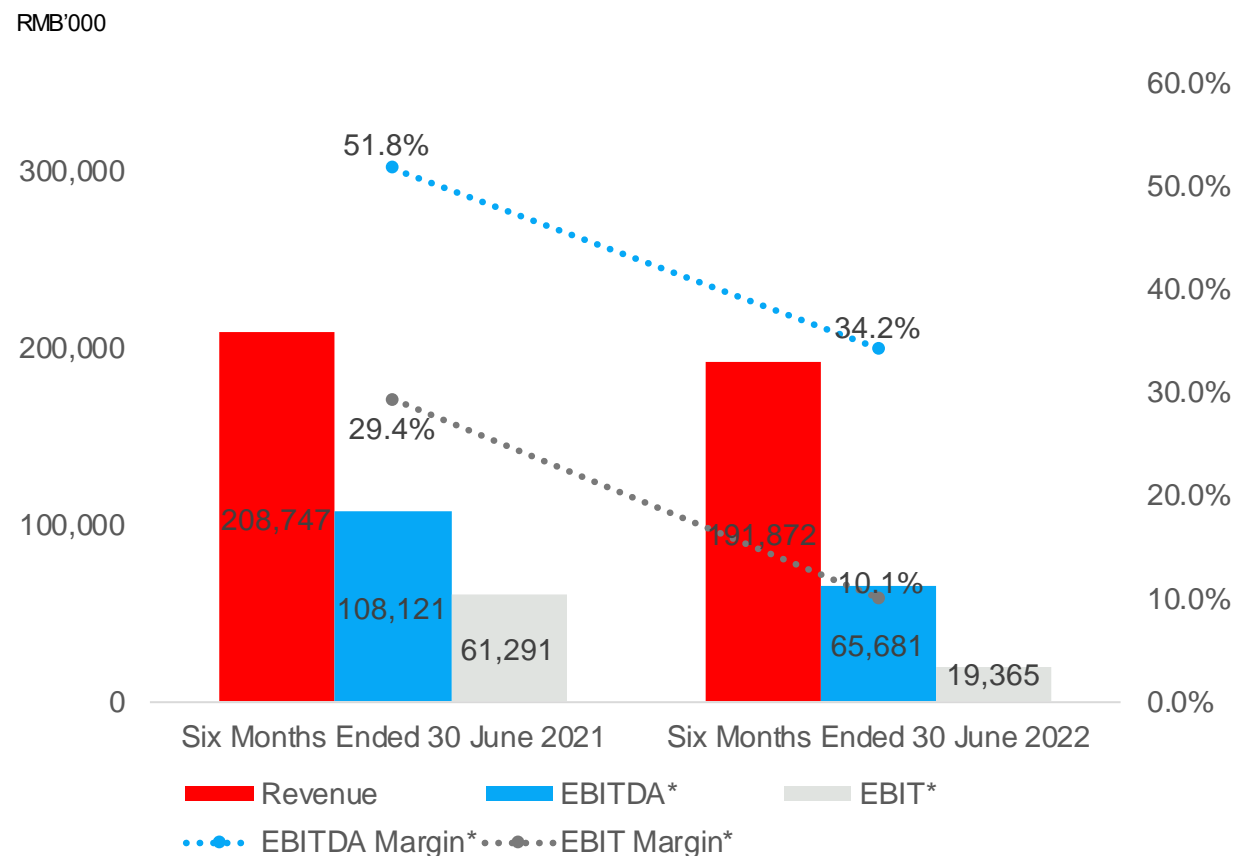
- Acquisition of Shanghai Yifang strengthened the Group's long term layout in the food ingredients field





# Tobacco Raw Materials

## Operational Performance



## Business Development

### Business Internationalization

- The factory in Indonesia was completed and achieved mass production and secured orders with international clients

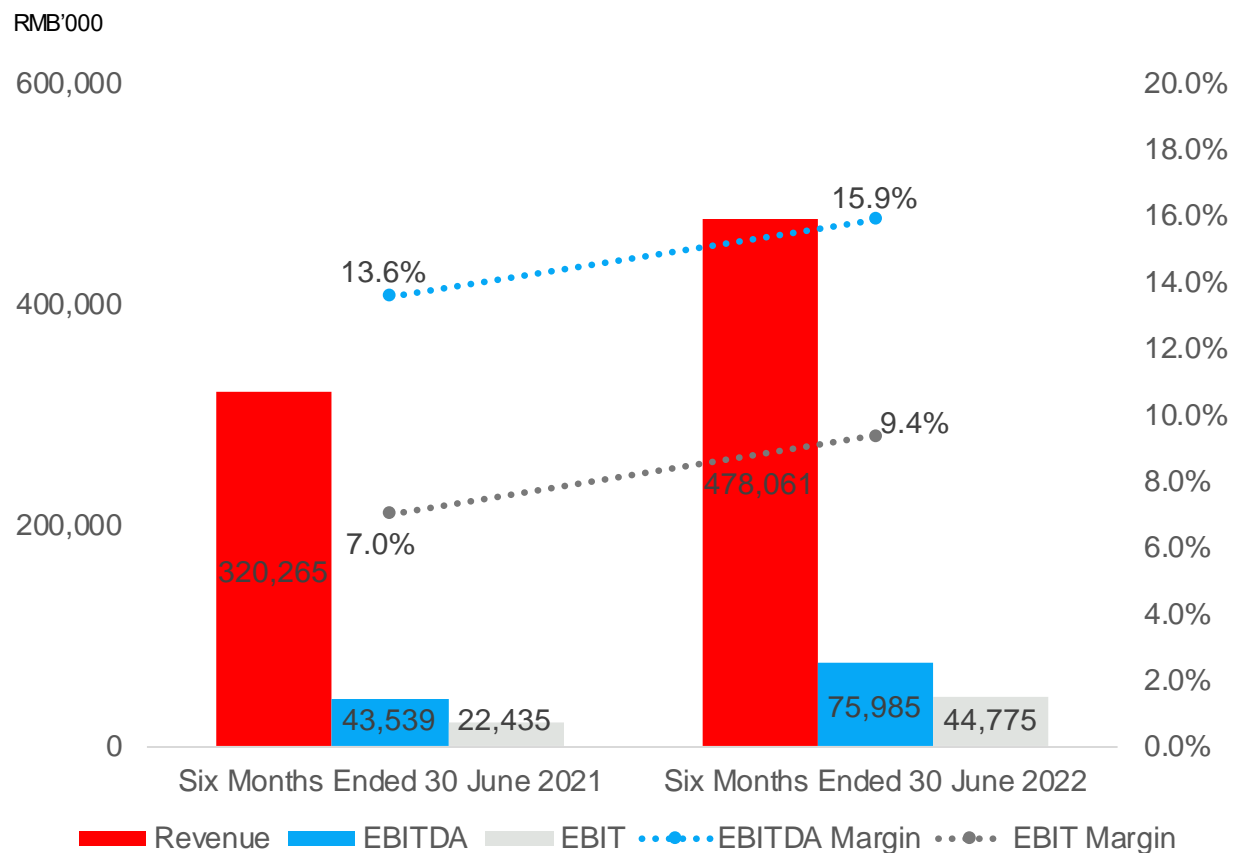
### Develop Food Flavour Capsules

- Leveraged the R&D and production advantage in the flavour industry to successfully sold food flavour capsules to F&B clients and the sales proportion of food flavour capsules increased



# Aroma Raw Materials

## Operational Performance



## Business Development

### Mass Production in Jiangxi Xianghai

- Jiangxi Xianghai successfully released capacity and achieved mass production
- Safe and intelligent production improved operational efficiency and industry competence



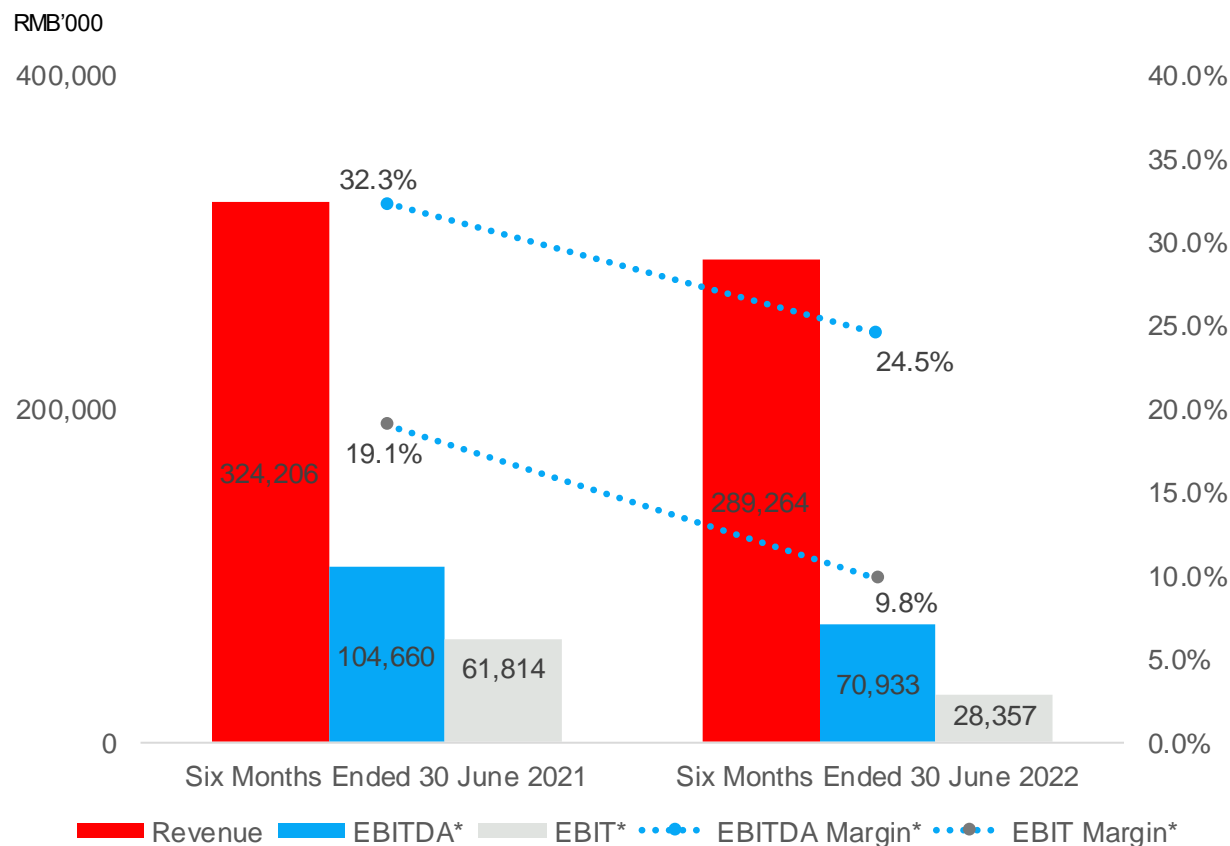
Jiangxi Xianghai, located in the Xinyu City in Jiangsu Province, is the Group's aroma raw materials production base



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# Condiment

## Operational Performance



## Business Development

### Product Mix

- Researched popular flavours in the market and launched more sauces products to enrich the sources of revenue

### Distribution Channels

- Strengthened communication with distributors and stabilized the relationship with them as well as the coverage of the distribution network

### Marketing Strategies

- Themed marketing events to improve clients' brand loyalty
- Marketed the products on livestreaming platforms to raise brand awareness





03

Digital Transformation

# Digital Transformation



Operation: Linked the data of raw materials, procurement, and production to make the decision-making more scientific



R&D: Standardised management of the data to achieve R&D across geographies and disciplines



Finances: Make financial data integrated, automated and expandable



Funds Management: Launched platforms to achieve the visualization of funds transactions



**Improve management and operational efficiency**

# Thanks for Watching!



**Tel: +852 2185 1233**

**Address: Suite 3008, 30/F, Central Plaza, 18  
Harbour Road, Wanchai, Hong Kong**

