



HUABAO INTERNATIONAL HOLDINGS LIMITED

華寶國際控股有限公司

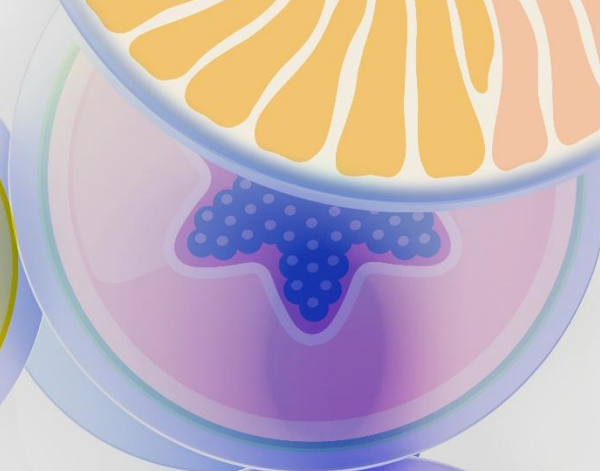
*(Incorporated in Bermuda with limited liability)*

*(於百慕達註冊成立之有限公司)*

(Stock Code 股份代號：00336)

# 2024 Annual Results Presentation

31 March 2025



# Disclaimer

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





# Agenda

01 Financial Review

02 Business Review

03 Outlook



01

# Financial Review



# Results Highlights

RMB: Millions (Except EPS and dividend per share)	2024 FY	2023 FY	Change
Revenue	3,374	3,308	2.0%
Gross Profit	1,441	1,469	-1.9%
Gross Margin	42.7%	44.4%	(1.7) p.p.
Operating (Loss) Profit	(402)	378	N/A
Operating Margin	-11.9%	11.4%	N/A
(Loss) Profit for the Year	(459)	290	N/A
(Loss) Profit attributable the equity holders of the Company	(386)	234	N/A
Basic and diluted (loss) earnings per share* (RMB cents)	(11.94)	7.23	N/A
Final dividend per share (HKD cents)	N/A	0.8	
Special dividend per share (HKD cents)	5.0	4.2	
<b>Non-HKFRS Financial Metrics</b>			
Operating Profit <sup>1</sup>	292	449	(34.9) %
Operating Margin <sup>1</sup>	8.7%	13.6%	(4.9) p.p.
Profit for the Year <sup>2</sup>	284	383	(25.9) %



Flavour your Life

1. Excluding goodwill impairment of RMB630 million (FY2023: RMB56.5 million), intangible assets impairment of RMB14.38million (FY2023: RMB9.85 million), share-based compensation expense of RMB48.55 million(FY2023: RMB4.1 million)
2. Excluding goodwill impairment of RMB630 million (FY2023: RMB56.5 million), intangible assets impairment of RMB14.38million (FY2023: RMB9.85 million), share-based compensation expense of RMB48.55 million(FY2023: RMB4.1 million) and the impairment of investments in associates and joint ventures of RMB49.12 million (FY2023: 22.29 million )



# Operating efficiency and financial condition analysis

	As at 31 December 2024	As at 31 December 2023	Change
Inventory turnover (days)	176	197	(21)
Accounts receivable turnover (days)	81	97	(16)
Accounts payable turnover (days)	47	51	(4)
Current ratio (times)	7.2	6.0	
Quick ratio (times)	6.4	5.3	
Debt ratio*	1.6%	3.6%	(2.0) p.p.
Net cash^ (RMB million)	6,018	5,977	

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

\*Net Cash=Cash and cash equivalents + Financial Products (Stated in the "Financial assets at fair value through profit or loss/other comprehensive income" under the current assets)-debt





02

## Business Review





# F&F and Food Ingredients

RMB: Million	2024 FY	2023 FY	Change
Revenue	1,339	1,464	(8.6)%
Operating (Loss) Profit	(300)	406	N/A
Operating Margin	N/A	27.7%	N/A
Non-HKFRS Financial Metrics			
Operating Profit*	248	415	(40.3) %
Operating Margin*	18.5%	28.4%	(9.9) p.p.

## Performance Analysis

- The decrease in the tobacco flavour resulted in the segment's revenue decline
- Operating loss resulted from goodwill impairment and share-based compensation expense
- The increase in the sales proportion of low margin products dragged the segment's overall profit and margins

## Highlights

- Introduced tobacco flavours to international clients
- Successfully developed overseas clients for food flavours and fragrances
- Strengthened the R&D and product innovation in natural food ingredients

\*Excluding the goodwill impairment of the cash generating unit of tobacco flavour of RMB505 million and the share-based compensation expense of RMB43.77 million







# Tobacco Raw Materials

RMB: Million	2024 FY	2023 FY	Change
Revenue	468	465	0.7%
Operating (Loss) Profit	(82)	90	N/A
Operating Margin	N/A	19.5%	N/A
Non-HKFRS Financial Metrics			
Operating Profit*	15	90	(83.6) %
Operating Margin*	3.2%	19.5%	(16.3) p.p.

\*Excluding the goodwill impairment of RMB97 million the RTL's cash generating unit

## Performance

- Traditional RTL sales decreased, tobacco new materials sales increased, and the overall sales increased

## Highlights

- Factories in Indonesia achieved the goal of supplying innovative tobacco products to clients
- Business development of the tobacco new materials achieved significant success





# Aroma Raw Materials

RMB: Million	2024 FY	2023 FY	Change
Revenue	792	625	26.7%
Operating Profit (Loss)	23	(83)	N/A
Operating Margin	2.9%	N/A	N/A
Non-HKFRS Financial Metrics			
Operating Profit*	66	(27)	N/A
Operating Margin*	8.4%	N/A	N/A

## Performance Analysis

- Clients completed destocking and resumed normal purchases which resulted in the revenue growth
- Rebound in demand turned the business from losses to profits

## Highlights

- New factories in Zhaoqing completed and put into production, which improved products 'quality and production capabilities
- Jiangxi Xianghai rated as State level Green factory and demonstrated the segment's capabilities in sustainable development

\*Excluding the goodwill impairment of RMB29.31 million in 2024 and the goodwill impairment of RMB50.92 million in 2023



Flavour your Life

Revenue	2024 FY	2023 FY	Change
Revenue	775	754	+2.7%
Operating Profit	98	117	(16.4)%
Operating Margin	12.6%	15.5%	(2.9) p.p.

## Performance Analysis

- Growth in the new products sales volume resulted in the revenue growth
- Increased the marketing expense to cope with the intense competition and thereby squeezed the margins

## Highlights

- First tier distributors increased to 905
- Improved brand awareness via short dramas and videos



03

## Outlook

## Group Strategies



**Strengthen R&D innovation to lead development**



**Empower the Group with AI to make big strides in development**



**Facilitate the internationalization of business**



**Strengthen supply chain management**



**Lean production to consolidate core capabilities**



**Develop the incentive scheme to realize double wins**



**Boost growth through M&As**



**Increase communication with the capital market**

# Thanks for watching!



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