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HAO BAI INTERNATIONAL (CAYMAN) LIMITED

浩柏國際（開曼）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8431)

VOLUNTARY ANNOUNCEMENT STRATEGIC COOPERATION FRAMEWORK AGREEMENT

This announcement is made by Hao Bai International (Cayman) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders and potential investors of the Company with updated information on the latest business development of the Group.

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 10 February 2022, the Company and General Aviation International (Xi’an) Aircraft Technology Co., Ltd. (通航空國際西安飛機技術有限公司) (the “**General Aviation**”, together with General Aviation, the “**Parties**”) have entered into a strategic cooperation agreement (the “**Agreement**”), in relation to the strategic cooperation between the Parties relating to, among other things, to jointly develop a general aviation tourist and resort area in Hezhou (賀州), a prefecture-level city in the northeast of the Guangxi Zhuang Autonomous Region, the People’s Republic of China.

The Board considers that it is an honour for the Group to have a business relationship with the local government in Hezhou and a strategic cooperation with General Aviation will increase the Group’s profile in China.

To the best knowledge, information and belief of the Board, having made all reasonable enquiries, General Aviation and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”).

INFORMATION OF GENERAL AVIATION

General Aviation was established in 2013 in accordance with the general aviation policy under the 13th Five-Year Plan issued by the People’s Republic of China, to support the development of the aviation industry. General Aviation is the only small aircraft technology R&D and

manufacturer in China. General Aviation has successfully developed and manufactured a single-engine Kitty Hawk 700 model 4-seater passenger and cargo aircraft, which was approved for domestic sales and operation by the Civil Aviation Administration of China.

General Aviation has formed a joint venture company with the local government in Hezhou to jointly develop a general aviation cultural town which includes a small aircraft production base, pilot training centre, youth education base, general aviation theme park and logistics centre.

In 2018, General Aviation agreed to sign a contract with a tourism company under the government unit of Hezhou City, Guangxi, to develop the General Aviation Industry New City (通航產業新城). The contract expired in September 2019 and both parties agreed to sign a supplementary contract in early 2022. General Aviation Industry New City includes a tourist resort, residential, leisure sports area and a theme park which are all under the concept of aviation. The total area of General Aviation Industry New City is approximately 6,900 mu (approximately 4,600,000 m²).

DETAILS ON STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The Parties have agreed to sign the Agreement in which both Parties will (a) carry out the Kitty Hawk 700 aircraft and Hezhou General Aviation Cultural Town projects; (b) co-operate on sales, flight training, logistics and project financing of the Kitty Hawk 700 aircraft project; and (c) co-operate on the investment, operation and management of the Hezhou General Aviation Cultural Town project. Projects will be selected through tendering process while General Aviation has agreed to give priority for certain projects to the Company at market rate.

The Agreement will come into effect after being formally signed by the legal representative of both General Aviation and the Company. If there are any shortcomings in the Agreement, both parties will sign a supplementary agreement in the future which will be regulated under Hong Kong Law.

REASONS AND BENEFITS OF THE STRATEGIC COOPERATION

The Group principally engages in provision of design, procurement and installation services of water circulation systems. As discussed in the 2021 First Quarterly Report and 2021 Interim Report, the decrease in the Group's revenue was mainly due to the impact of the COVID-19 outbreak and historic economic downturn. In the view of these, the Group is actively identifying new business opportunities in China and is seeking investment opportunities in the construction industry to further enhance its presence and increase its market share.

The Board considers that the Agreement is in the usual course of business of the Company and the terms of the Agreement are based on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Save for the provisions relating to the negotiation of the agreement, confidentiality, costs and expenses, and governing laws, the agreement does not have any legal binding effect. The agreement may or may not lead to the entering into of the formal agreement and the transactions contemplated thereunder may or may not consummated. If the formal agreement materialises, it may constitute notifiable transaction(s) for the Company under the GEM Listing Rules.

The Company will keep shareholders and potential investors of the Company informed and make further announcement(s) as and when appropriate in compliance with the applicable requirements under the GEM Listing Rules.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 16 August 2021 and will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Hao Bai International (Cayman) Limited
Nam Ho Kwan
Chairman and Chief Executive Officer

Hong Kong, 14 February 2022

As at the date of this announcement, the executive Directors are Mr. Nam Ho Kwan, Mr. Ng Wan Lok, Ms. Wong Wing Hung, Ms. Wang Rui, Mr. Wang Xinliang and Mr. Wong Terence Kwong Lung; and the independent non-executive Directors are Mr. Ng Kam Tsun, Mr. Ma Meng and Mr. Li Ruyi.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least seven days from the date of its posting. This announcement will also be published and remained on the Company’s website at www.harmonyasia.com.