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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 MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE ACQUISITION

This is a voluntary announcement made by Hao Bai International (Cayman) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

MEMORANDUM OF UNDERSTANDING

The board of directors of the Company (the “**Board**”) is pleased to announce that on 10 July 2023, the Company and Mr. Ho Yiu Tim (the “**Vendor**”) entered into a memorandum of understanding (the “**MOU**”), pursuant to which the parties agreed to enter into a negotiation regarding a possible conditional acquisition by the Company, and the possible conditional disposal by the Vendor, of the controlling interest in Wing Keung Engineering Co. (永強工程公司) (“**Target Company**”) (the “**Possible Acquisition**”). Subject to the finalisation and entering into of a definitive agreement to be entered into by the Company (or any appropriate wholly-owned subsidiary of the Company assigned by the Company) and the Vendor (the “**Definitive Agreement**”) and upon completion of the Possible Acquisition, the financial results of the Target Company will be consolidated into the financial statements of the Company.

Preliminary framework of the Possible Acquisition

The Company intends to acquire and the Vendor intends to dispose of the controlling interest in Target Company.

The terms of the Possible Acquisition, the consideration of the Possible Acquisition and the detailed payment methods shall be determined in the Definitive Agreement, which the parties shall enter into within three (3) months upon signing of the MOU or at any later date which the Company and the Vendor may otherwise agree. Pursuant to the MOU, the Vendor and the Company intended that the consideration of the Possible Acquisition to be agreed between the Company and the Vendor shall be determined with reference to, among other things, the valuation of the Target Company prepared by an independent professional valuer to be appointed by the Company.

Exclusivity Period and Due Diligence

Pursuant to the MOU, the Vendor has agreed and undertaken that it shall not, directly or indirectly, engage in any discussion or negotiation with any third party in respect of any sale of the equity interest, asset and business of the Target Company (a) within two (2) months upon signing of the MOU or such later date which the Company and the Vendor may otherwise agree; (b) upon mutual agreement and with written confirmation between the parties that the Possible Acquisition has fallen through; or (c) upon a breach of contractual obligation on confidentiality by either party to the MOU (whichever is earlier) (the “**Exclusivity Period**”).

Within the Exclusivity Period, the Company shall be entitled to conduct business, organisational structure, financial and legal due diligence on the Target Company. The Vendor shall provide to the Company and/or procure the Company’s access to all records and documents of the Target Company forthwith upon request for due diligence purpose and to respond forthwith to the enquiries of the Company.

Costs

Each party to the MOU shall bear its own costs and expenses (including legal fees) incurred in connection with the preparation, negotiation, execution and performance of the MOU.

Legal effect

The MOU shall create no legal and binding obligations on the parties thereto save for provisions relating to due diligence, exclusivity, costs, confidentiality and governing law.

INFORMATION ON THE TARGET COMPANY

The Target Company is a sole proprietorship of the Vendor registered in Hong Kong in 1992. The Target Company is principally engaged in provision of comprehensive engineering and construction services to various public organisation and private renowned enterprise in Hong Kong specialised in area including but not limited to site formation works, shallow and piling foundation works, metal panel formworks, substructure & alternation works, maintenance works and E&M works.

The Target Company is one of the approved contractors for public works in Hong Kong and is a registered Hong Kong government general building contractor. As at the date of this announcement, the Target Company is undergoing construction works for seven projects including residential projects, schools and public projects.

To the best of the knowledge, information and belief of the directors of the Company, the Target Company and the Vendor are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

INFORMATION ON THE GROUP

The Group is principally engaged in design, procurement and installation services of the water circulation systems including but not limited to swimming pools, water fountains and water curtains.

REASONS FOR THE POSSIBLE ACQUISITION

The Board considers that the Possible Acquisition is in line with the Group's investment strategy and is expected to enrich the Company's existing business. The Board considers that the Possible Acquisition, if materialized, would immediately bring in a new income stream to the Company and enable the Company to further strengthen its revenue and client base and therefore is in the interests of the Company and its shareholders as a whole.

GENERAL

If the Possible Acquisition materialises, it may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) in relation to the Possible Acquisition will be made by the Company as and when appropriate in compliance with the Listing Rules.

There is no assurance that any transactions referred to in this announcement will materialise or eventually be consummated. Shareholders of the Company (the "Shareholders") and potential investors should note that the Possible Acquisition is subject to, among other things, the signing of the Definitive Agreement, the terms and conditions of which are yet to be agreed. The Possible Acquisition may or may not proceed and the final structure and terms of the Possible Acquisition, which are still subject to further negotiations between the parties, have yet to be finalised and may deviate from that set out in the MOU. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board

Hao Bai International (Cayman) Limited

Shu Zhongwen

Chief Executive Officer and Executive Director

Hong Kong, 10 July 2023

As at the date of this announcement, the executive Directors are Mr. Wang Lun, Mr. Shu Zhongwen, Ms. Wong Wing Hung, Mr. Ng Wan Lok and Mr. Wang Xinliang; the non-executive Director is Ms. Chen Xiaodan; and the independent non-executive Directors are Mr. Ma Meng, Mr. Li Ruyi, Ms. Yuen Wai Man and Mr. Cheung Hiu Fung.

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 Stock Exchange at www.hkexnews.hk 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 <http://www.irasia.com/listco/hk/haobai/>.