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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)

CHANGE IN USE OF PROCEEDS FROM RIGHTS ISSUE

This announcement is made by Hao Bai International (Cayman) Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the prospectus (the "**Rights Issue Prospectus**") of the Company dated 28 November 2025, in relation to, among other things, the proposed rights issue on the basis of four (4) rights shares for every one (1) existing share (the "**Rights Issue**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Rights Issue Prospectus.

The Board would like to provide an update on the proposed change in use of proceeds from the Rights Issue in the manner as set out below.

ORIGINAL USE OF PROCEEDS

As disclosed in the Rights Issue Prospectus, the net proceeds raised from the Rights Issue were approximately HK$36.94 million (the "**Net Proceeds**") and were originally intended to be applied for the following purposes, as stipulated under the section headed "REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS" in the Rights Issue Prospectus:

(i) approximately HK$13 million for settlement of trade payables;

(ii) approximately HK$2 million for settlement of other third-party borrowings;

(iii) approximately HK$15 million for the renovation and fitting-out project in China; and

(iv) approximately HK$6.94 million for general working capital.

CHANGE IN USE OF PROCEEDS

As at the date of this announcement, the net proceeds of approximately HK$15.0 million under the above paragraph (iii) originally allocated for the renovation and fitting-out project in China remain unutilised (the "**Remaining Net Proceeds**").

In light of the reasons set out in the section below, the Board has resolved to change the use of Remaining Net Proceeds to, in particular (a) approximately HK$13 million for a construction project awarded by the Sha Tin District Office; (b) approximately HK$1.5 million for a refurbishment project awarded by the Architectural Services Department; and (c) approximately HK$0.5 million for a renovation project awarded by the City University of Hong Kong. Save as the aforesaid, the other allocation of remains unchanged and has been fully utilised.

Set out below is the detailed information, as at the date of this announcement, regarding the status on the allocation and the utilisation of the Net Proceeds and the change in use of Net Proceeds as resolved by the board of directors of the Company:

	Application of Net Proceeds pursuant to allocation as disclosed in the Rights Issue Prospectus *HK$ million (Approximately)*	**Utilised Net Proceeds up to the date of this announcement** *HK$ million (Approximately)*	**Unutilised Net Proceeds at the date of this announcement** *HK$ million (Approximately)*	**Revised use of the unutilised Net Proceeds** *HK$ million (Approximately)*	**Expected timeline for unutilised Net Proceeds**
Trade payables	13.00	13.00	–	–	N/A
Third-party borrowings	2.00	2.00	–	–	N/A
Renovation and fitting-out project in China	15.00	–	15.00	–	By the end of 31 May 2026
New purpose:					
(a) HK$35.5 million construction project awarded by the Sha Tin District Office	–	–	–	13.00	By the end of 31 March 2027
(b) HK$4 million refurbishment project awarded by the Architectural Services Department	–	–	–	1.5	By the end of 31 March 2027
(c) HK$1.6 million renovation project awarded by the City University of Hong Kong	–	–	–	0.5	By the end of 31 March 2027
General working capital	6.94	6.94	–	–	N/A
Total	36.94	21.94	15.00	15.00	

REASONS FOR THE CHANGE IN USE OF NET PROCEEDS

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. In addition, the Group has expanded its business scale into design services, construction and renovation projects in Hong Kong.

In view of the recent instability and volatility in the construction business in China, the Board considers that now is not an optimal time to invest heavily in the construction projects in China. Therefore, to improve the efficiency of the Group's use of proceeds, rather than allocating approximately HK$15 million to the construction business in Sichuan, the Board has resolved to reallocate this portion of Proceeds to construction and renovation projects awarded by the Hong Kong SAR government, specifically to cover the performance bond requirement, direct labour costs and other project-related expenses.

The Board believes that the re-allocation of the Remaining Net Proceeds will provide higher level of flexibility for the Group to manage its assets and liabilities against the current unstable business environment.

The Board confirms that there are no material changes in the nature of business of the Group as set out in the Rights Issue Prospectus. Save as disclosed in this announcement, the Board does not anticipate any other change to the plan as to the use of the Remaining Net Proceeds.

The Board considers that the change in use of the Remaining Net Proceeds will strengthen the financial position of the Group and allow the Group to deploy its finance resources more effectively. The Board considers that the re-allocation of the Remaining Net Proceeds will not have any material adverse impact on the existing business and operations of the Group and is in the best interest of the Company and its shareholders as a whole.

The Board will continuously assess the plans for the use of the Remaining Net Proceeds from the Rights Issue and may revise or amend such plans where necessary to cope with the changing market conditions in order to strive for better performance of the Group.

By order of the Board
Hao Bai International (Cayman) Limited
Ng Wan Lok
Executive Director

Hong Kong, 29 May 2026

As at the date of this announcement, the executive Directors are Mr. Ng Wan Lok, Ms. Wong Wing Hung, Ms. Wang Zhixian and Mr. Zhang Jiaqing; and the independent non-executive Directors are Mr. Cheung Hiu Fung, Mr. Wong Ming Fair Victor and Mr. Tung Yee Shing.

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 https://www.irasia.com/listco/hk/haobai/.