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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)**

### **PROFIT WARNING**

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 (Cap. 571 of the Laws of Hong Kong) (“**SFO**”).

Reference is made to the interim report for the six months ended 30 September 2019 (the “**Interim Report**”) of the Company and the Company’s announcement dated 25 October 2019 (the “**Announcement**”). The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment of the latest available financial information, the Group is expected to record a net loss for the nine months ended 31 December 2019 (the “**Reporting Period**”) as compared to a net profit of approximately HK\$3.0 million for the nine months ended 31 December 2018. Similar to the reasons for the loss as disclosed in the Interim Report and the Announcement, the loss for the nine months ended 31 December 2019 was mainly attributable to (i) the decline in gross profit margin as a result of certain works performed under variation orders during the Reporting Period which carried a relatively lower gross profit margin; (ii) the decrease in revenue derived from projects in Macau which generally enjoy a relatively higher gross profit margin as compared to projects in Hong Kong; (iii) the absence of revenue derived from consultancy services which typically have relatively higher gross profit margin; and (iv) the decrease in revenue for the Reporting Period as certain mega-sized projects have been approaching their completion date with lesser amount of work done, and substantial amounts of revenue for the said mega-size projects had already been recognised in prior periods.

The Group is still in the process of finalising its results for the Reporting Period. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the Reporting Period which are currently available, and is not based on any information

or figures which have been audited or reviewed by the Company's auditors or the audit committee of the Board. Shareholders and potential investors are advised to peruse with care the quarterly results announcement of the Company for the Reporting Period, which is expected to be released in February 2020.

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

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

Hong Kong, 24 January 2020

*As at the date of this announcement, the executive Directors are Mr. Nam Ho Kwan, Mr. Ng Wan Lok, Ms. Wong Wing Hung and Ms. Wang Rui and the independent non-executive Directors are Mr. Wu Kam On Keith, Mr. Lau Wai Hung and Mr. Chen Lei.*

*This announcement, for which the directors of the Company (the “**Directors**”) collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 GEM website at [www.hkgem.com](http://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](http://www.harmonyasia.com).*