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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)

SUPPLEMENTARY ANNOUNCEMENT IN RELATION TO THE 2022/23 ANNUAL REPORT

Reference is made to the annual report for the year ended 31 March 2023 (the "2022/23 Annual Report") of Hao Bai International (Cayman) Limited (the "Company", together with its subsidiaries, the "Group"). Terms used herein shall have the same meanings as defined in the 2022/23 Annual Report unless otherwise stated.

CHANGE IN USE OF PROCEEDS FROM PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Company would like to provide the following additional information in relation to the Change in Use of Proceeds from Placing of New Shares under General Mandate pursuant to paragraph 11(8) of the Appendix 16 to the Listing Rules.

On 12 January 2023, 323,400,000 Shares were allotted and issued by the Group, at the price of HK\$0.024 per share. The Company's net proceeds from the allotment and issuance of additional Shares (after deducting the placing commission, professional fees and all related expenses from the Placing) amounted to approximately HK\$7.39 million, which were originally intended (i) to repay approximately HK\$1.40 million of bank loan; (ii) to repay approximately HK\$5.59 million of overdue trade payables; while (iii) the remaining net proceeds from the Placing of approximately HK\$0.40 million were used to support the Group's business operations (the "Initial intended Use") as working capital. Please refer to the announcements of the Company dated 29 December 2022 and 12 January 2023 for further information.

Since the completion of placing of new shares, due to the protracted war between Russia and Ukraine, inflationary pressures in the US and Europe, interest rates hikes and a slow pace of recovery in the PRC, the Board considered that the current priority for the Company should be to focus on the existing operations and strengthen its position in the market which would require more working capital to the Company.

The Board is of the view that the use of proceeds should be appropriately adjusted to better meet the current economic climate and the Group's operational needs in order to combat the challenges brought by the current political and economic environments.

The Group has reviewed the costs and benefits and considered to adopt a prudent approach of changing the business strategies. Therefore, the Use of Proceeds was revised and HK\$1.67 million which consisted of (a) HK\$0.69 million of unutilised net proceeds from repayment of bank loan which will be matured in April 2025; and (b) HK\$0.98 million of unutilised net proceeds from repayment of overdue trade payables; was re-allocated to the general working capital of the Group.

The Directors consider that the change in use of proceeds is still in line with the Company's announcements while the Directors believe that the change is in the best interest of the Company and Shareholders as a whole and will not have any material adverse effect on the existing business and operations of the Group.

As at 31 March 2023, the Group had fully utilised the net proceeds from placing of new shares under the general mandate as per below:

Business objective and strategy	Planned use of net proceeds HK\$ million	Actual utilised net proceeds up to 12 March 2023 HK\$ million	Unutilised net proceeds as at 12 March 2023 HK\$ million	Revised allocation of unutilised net proceeds as at 12 March 2023 HK\$ million	Amount utilised from 13 March 2023 to 31 March 2023 HK\$ million	Unutilised net proceeds as at 31 March 2023 HK\$ million
Repayment of bank loan (mature in April 2025) Repayment of overdue trade payables General working capital	5.59 0.40	0.71 4.61 0.40	0.69	1.67	1.67	- - -
	7.39	5.72	1.67	1.67	1.67	

FURTHER DETAILS OF THE SHARE OPTION SCHEME FOR THE YEAR ENDED 31 MARCH 2023

Due to an inadvertent calculation error, the Company would like to clarify that under the section headed "Share Option Scheme" in the Report of the Directors and Notes 23 of the financial statements as set out in the 2022/23 Annual Report, "the maximum number of shares which may be issued upon exercise of all options granted and to be granted under the Share Option Scheme is 130,000,000 shares, representing 10% of the shares of the Company in issue as at the date of adoption of the Share Option Scheme and as at the date of this annual report", should be read as follow (with amendments underlined):

"The maximum number of shares which may be issued upon exercise of all options granted and to be granted under the Share Option Scheme is 6,000,000 shares (after share consolidation effective on 1 February 2023), representing 3.07% of the shares of the Company in issue as at the date of this annual report".

The information contained in this supplemental announcement does not affect other information contained in the 2022/23 Annual Report. Save as disclosed above, the contents of the 2022/23 Annual Report remain unchanged.

By order of the Board
Hao Bai International (Cayman) Limited
Shu Zhongwen

Chief Executive Officer and Executive Director

Hong Kong, 3 November 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, Mr. Yuen Wai Keung 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 https://www.irasia.com/listco/hk/haobai/.