

TARGET

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HAO BAI INTERNATIONAL (CAYMAN) LTD: SINK OR SWIM ?

Facing legal challenges, lodged in the High Court of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**, as well as facing a very difficult business scenario, festooned as it is with material annual losses, Year-After-Year, the Chairman of the Board of Directors of Hao Bai International (Cayman) Ltd (浩柏國際[開曼]有限公司), Mr Nam Ho Kwan (藍浩鈞), appears to be facing outrageous situations that he would much prefer them to have been nothing more than phantasmagoria.

Mr Nam Ho Kwan's problems, however, are far from being nocturnal fantasies, but the makings of (unfortunate) business realities.

On Friday, February 25, 2022, Mr Nam Ho Kwan, as Chairman and Chief Executive Officer of Hao Bai International (Cayman) Ltd (浩柏國際[開曼]有限公司) (Code: 8431, The **Growth Enterprise Market [the GEM]**, The Stock Exchange of Hongkong Ltd), caused to have published and disseminated in the HKSAR, the following announcement, headlined, '**INSIDE INFORMATION**'.

The following is the gist of that announcement:

*'The board (the "**Board**") of directors (the "**Director(s)**") of Hao Bai International (Cayman) Limited hereby announces that Mr. Nam Hao Kwan ("**Mr. Nam**"), the Chairman and Chief Executive Officer of the Company, has issued a letter ("**the Letter**") to the Board of Directors by stating that he was misled to get involved into a joint venture and two loan agreements by Mr. Lau Shing Ngan (劉升昂) ("**Mr. Lau**") of Prudential Brokerage Limited (信誠證券有限公司) ("**Prudential**") with a series of dishonest and misleading promises in which Mr. Lau never has any intention to honour. The matters will be reported to the Securities and Futures Commission and the Hong Kong Police for their investigation.*

'As a subsequence, Prudential has instituted two legal proceedings against Mr. Nam and his company, Harmony Asia International Limited, which holds 652,900,000 shares of the Company, namely HCB 6470/2021

*and HCCW470/2021. According to the Letter, Mr. Nam has filed opposition timely with bona fide disputes on substantial grounds. Both cases will be heard in the High Court of Hong Kong Special Administrative Region (the “**High Court**”) on 9 March 2022.*

‘Further announcement(s) will be made by the Company as and when appropriate in relation to any material development in relation to the matters as stated above. The Company is seeking advice from its legal adviser regarding the possible impact that the above matters to the Company during the course.’

(In the 2020/2021 Annual Report of Hao Bai International [Cayman] Ltd, the Chairman’s name was spelt, Mr Nam Ho Kwan, and not Mr Nam Hao Kwan.)

According to the database of **TOLFIN** (泰達資訊), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider, on November 22, 2021, Mr Nam Ho Kwan was named as being a Debtor of Prudential Brokerage Ltd.

The Nature of the Claim, made by the Creditor – Prudential Brokerage Ltd – is a Request to Issue Bankruptcy Proceedings with regard to the Debtor.

On or about May 10, 2022, a Hearing with regard to the Bankruptcy Petition, naming Mr Nam Ho Kwan, was lodged in the HKSAR High Court.

In addition, High Court Action, Number 470 of 2021, filed on December 8, 2021, Prudential Brokerage Ltd, as Creditor, sued Harmony Asia International Ltd, as Debtor.

The Nature of that Claim was the Winding-Up of the Debtor.

The Annual Report Of Hao Bai International (Cayman) Ltd

On Wednesday, June 30, 2021, Management of Hao Bai International (Cayman) Ltd published and disseminated the Company’s Annual Report in respect of the Financial Year, ended March 31, 2021.

Hao Bai International (Cayman) Ltd was first listed on the GEM on May 26, 2017, its allocated GEM Stock Number, being 8431.

At the date of the Company’s Listing as a GEM Company in good standing, Management of the Company had pitched an **Initial Public Offering (IPO)**, netting approximately \$HK38 million after retiring all expenses with regard to the Listing.

From the outset, the situation as a GEM company was never easy, the history of the Company has recorded, with the Company’s financials, having clearly suffering one problem, facing another, and, as a direct consequence of the Company’s problems, by the time that the 2019 Financial Year had come and gone, the penny had dropped: Matters had become dire for Chairman Nam Ho Kwan.

Further, from the opening of the 2020 Financial Year, Management was recording Net Losses Attributable to Shareholders.

The following table, found at Page 58 of the 2020/2021 Annual Report of the Company, Management had been forced to use only red ink to fill in the Bottom Lines of Hao Bai International (Cayman) Ltd in respect of the 24 months, ended March 31, 2021.

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