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China Baoli Technologies Holdings Limited

中國寶力科技控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 164)

DISCLOSEABLE TRANSACTION IN RELATION TO CAPITAL INJECTION INTO KEMENG

On 30 December 2021, Hong Kong Made, the Original Shareholders and KeMeng entered into the Agreement, under which Hong Kong Made shall inject RMB five million (RMB5,000,000) in cash into KeMeng. Following the capital injection, Hong Kong Made will hold 51% equity interest in KeMeng and the financial results of which will be consolidated in the financial results of the Group.

The Group has gained a strong foothold in the industry of convergence media technologies in the PRC. In order to improve shareholders’ long-term returns, the Board has been actively seeking new investment and business opportunities. The transaction contemplated under the Agreement will further strengthen the Group’s businesses related to media sharing and advertising platforms, link up the whole media industrial chain of online and offline advertising, display and commerce, and create effective synergies with the Group’s resources and strengths, thereby enhancing the Group’s scale and profitability.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) for the transaction contemplated under the Agreement exceeds 5% but is below 25%, the transaction constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that the transaction contemplated under the Agreement is subject to satisfaction (or if applicable, waiver) of the conditions precedent and it may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the shares of the Company.

The board (the “**Board**”) of directors (the “**Director(s)**”) of China Baoli Technologies Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that on 30 December 2021, Hong Kong Made (Media) Limited (“**Hong Kong Made**”), a wholly-owned subsidiary of the Company, the original shareholders (the “**Original Shareholders**”) of KeMeng (Changzhou) Culture & Media Limited* (可夢(常州)文化傳媒有限公司) (“**KeMeng**” or the “**Target Company**”) and KeMeng entered into a capital injection agreement (the “**Agreement**”), under which Hong Kong Made shall inject RMB five million (RMB5,000,000) in cash into KeMeng. Following the capital injection, Hong Kong Made will hold 51% equity interest in KeMeng and the financial results of which will be consolidated in the financial results of the Group.

THE AGREEMENT

The principal terms of the Agreement are set out below:

Date

30 December 2021

Parties

- (1) Hong Kong Made
- (2) Original Shareholders of KeMeng; and
 - (i) Li Jianfeng (李劍峰)
 - (ii) Zhu Bin (朱斌)
 - (iii) ZhongYuZhaoTai Investment Co., Ltd.* (中宇兆泰投資有限公司)
- (3) KeMeng

To the best of the Directors’ knowledge, information and belief having made all reasonable enquires, the Original Shareholders and the ultimate beneficial owners of KeMeng are third parties independent of the Company and its connected person as at the date of the Agreement.

Capital Contribution

Pursuant to the Agreement, Hong Kong Made shall inject RMB five million (RMB5,000,000) to subscribe for the additional registered capital of the Target Company of RMB one million, ninety-five thousand, five hundred and ninety-six dollars and thirteen cents (RMB1,095,596.13) and the excess in the amount of RMB three million, nine hundred and four thousand, four hundred and three dollars and eighty-seven cents (RMB3,904,403.87) will be credited to the capital reserve of the Target Company. Following the capital injection, Hong Kong Made will hold 51% equity interest in the Target Company and the financial results of which will be consolidated in the financial results of the Group.

Basis for the Consideration

The consideration was determined through arm's length negotiation between the Company and the Target Company on normal commercial terms, and the Directors considered that the consideration was fair and reasonable.

Conditions Precedent

Hong Kong Made shall make a payment in respect of the capital injection to the designated bank account of the Target Company within ten (10) business days after the satisfaction of the following conditions precedent ("**Completion**"):

Completion is subject to the satisfaction or, if applicable, waiver of the following conditions precedent:

- (1) the transaction documents in respect of the capital injection having been signed by all parties in accordance with legal procedures and having come into effect;
- (2) the transaction having been approved and agreed by the shareholders' meeting of the Target Company, and the Original Shareholders expressly waiving the pre-emptive right of the transaction;
- (3) as of the date of the Agreement and as of the date of Completion, no legal ban or similar order in effect prohibiting or restricting a party from completing the capital injection; and
- (4) from the execution date of the Agreement, the current operations of the Target Company being continued in normal course, and there having been no material adverse change in the financial position, businesses, assets, and personnel of the Target Company.

INFORMATION ON THE GROUP AND HONG KONG MADE

The Group is principally engaged in multi-media technologies business, gamma ray services, tourism and hospitality business and other operations – securities trading and investment.

Hong Kong Made is a subsisting company with limited liability incorporated in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China (the "**PRC**"), and is a wholly-owned subsidiary of the Company. Its principal business is producing and marketing multi-media technologies services products. Hong Kong Made has more than ten years of experience in the media business, and possesses exclusive right to operate the multi-media and advertising business on 25 trains of Guangzhou-Shenzhen China Railway High-speed Harmony Series trains (廣深線和諧號) (the "**GSCR Hexiehao Trains**"). Clients of a variety of businesses, including but not limited to consumer products, mobile communications and automobile manufacturing, have placed multi-media contents on display media and O2O advertising on the GSCR Hexiehao Trains. Hong Kong Made is committed to conducting a series of convergence media digital advertising and marketing business

leveraging on its train resources so as to innovatively integrate the online shopping trend in duty-free e-commerce industry into the train media platform through diversified marketing approach.

INFORMATION ON THE ORIGINAL SHAREHOLDERS

Li Jianfeng (李劍峰), an independent third party, is a resident of the PRC and participates in various trade and investment projects.

Zhu Bin (朱斌), an independent third party, is a resident of the PRC and has many years of experience in managing information technology companies.

ZhongYuZhaoTai Investment Co., Ltd.* (中宇兆泰投資有限公司) is a subsisting company with limited liability incorporated on 28 May 2014 in accordance with the laws of the PRC. Its principal business is real estate and project investment.

INFORMATION ON THE TARGET COMPANY

KeMeng is a subsisting company with limited liability incorporated on 28 February 2017 in accordance with the laws of the PRC. KeMeng is also one of the prominent live streaming content providers and operators in the PRC. KeMeng is one of the official content providers on the multi-channel network (“MCN”) of Douyin, a Chinese video-sharing social networking service platform owned by ByteDance. KeMeng has signed up more than 3,000 influencers, KOLs and WangHongs in the PRC. These influencers have accumulated more than 320 million fans across social platforms in the PRC, such as Douyin, Bilibili, Taobao and Weibo, etc. Collaborate brands include but not limited to Oreo, Chang An Auto and Audi, etc.

FINANCIAL INFORMATION OF THE TARGET COMPANY

Based on the unaudited financial information of the Target Company, as at 30 September 2021, the total assets and net assets of the Target Company amounted to RMB2,796,729 and RMB1,234,477 respectively. Set out below are certain financial information of the Target Company for the two years ended 31 December 2020 and 31 December 2019 prepared in accordance with the PRC Financial Reporting Standards:

	For the year ended 31 December 2020	For the year ended 31 December 2019
	<i>RMB</i>	<i>RMB</i>
	(Unaudited)	(Audited)
Net profit (before taxation and extraordinary items)	822,324	871,286
Net profit (after taxation and extraordinary items)	822,324	871,286

REASONS FOR THE CAPITAL INJECTION INTO THE TARGET COMPANY

In order to diversify the Group's existing businesses, the Directors have been actively seeking new investment and business opportunities to enhance growth potential and improve the shareholders' long-term returns of the Company. The Group has gained a strong foothold in the industry of convergence media technologies in the PRC. The Group has also accumulated extensive technology, expertise, network and software resources in building scalable multi-media sharing and advertising platforms and in publishing and transmitting information through such platforms.

The transaction contemplated under the Agreement will further strengthen the Group's businesses related to media sharing and advertising platforms, link up the whole media industrial chain of online and offline advertising, display and commerce, and create effective synergies with the Group's resources and strengths, thereby enhancing the Group's profitability and bringing long-term benefits to the Group and the shareholders of the Company.

In view of the above, the Directors are of the view that the terms of the transaction contemplated under the Agreement are fair and reasonable and in the interests of the shareholders of the Company as a whole.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")) for the transaction contemplated under the Agreement exceeds 5% but is below 25%, the transaction constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

By Order of the Board
China Baoli Technologies Holdings Limited
Zhang Yi
Chairman

Hong Kong, 30 December 2021

As at the date of this announcement, the executive Directors are Mr. Zhang Yi (Chairman), Ms. Chu Wei Ning (Chief Executive Officer) and Ms. Lam Sze Man; and the independent non-executive Directors are Mr. Chan Fong Kong, Francis, Mr. Chan Kee Huen, Michael and Mr. Feng Man.

* *For identification purpose*