

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Kingkey Securities Group Limited

THE PLACING

On 28 January 2022 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has agreed to appoint the Placing Agent as placing agent of the Company for the purpose of procuring, on a best effort basis, subscribers for the Placing Shares on the terms and subject to the conditions set out in the Placing Agreement. Up to 30,000,000 Placing Shares at the Placing Price of HK\$0.35 per Placing Share shall be offered by the Placing Agent to not less than six Placees during the Placing Period.

The Placing Price of HK\$0.35, which (i) is equivalent to the closing price of HK\$0.350 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) represents a premium of approximately 0.57% over the average closing price of HK\$0.348 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

Assuming all the Placing Shares are successfully placed by the Placing Agent, the maximum gross proceeds from the Placing will be HK\$10,500,000. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fees and other related costs and expenses incurred in the Placing) will be approximately HK\$10 million which will be used as to (i) settlement of the outstanding liabilities of the Group in the amount of approximately HK\$3 million (being approximately 30% of the net proceeds); and (ii) general working capital of the Group in the amount of approximately HK\$7 million (being approximately 70% of the net proceeds).

As the Completion is subject to satisfaction of the conditions precedent as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE PLACING

On 28 January 2022 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has agreed to appoint the Placing Agent as placing agent of the Company for the purpose of procuring, on a best effort basis, subscribers for the Placing Shares on the terms and subject to the conditions set out in the Placing Agreement. Up to 30,000,000 Placing Shares at the Placing Price of HK\$0.35 per Placing Share shall be offered by the Placing Agent to not less than six Placées during the Placing Period.

THE PLACING AGREEMENT

The principal terms of the Placing Agreement are set out as follows:

Date

28 January 2022 (after trading hours)

Parties

- (i) the Company, as the issuer; and
- (ii) Kingkey Securities Group Limited, as the Placing Agent.

(each a “**Party**”, and collectively, the “**Parties**”)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Placees

The Placing Shares shall be offered by the Placing Agent to not less than six Placees in board lots during the Placing Period. The Placees shall be any individual(s), corporation(s) and/or institutional or professional investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent's obligations under the Placing Agreement. The Placing Agent shall use all reasonable endeavours to ensure and shall obtain confirmation to that effect that Placees and their ultimate beneficial owners, if any, shall be third parties independent of and not connected with any of the connected persons of the Company or any of their respective associates and are not acting in concert with the Company or any of its directors, chief executives or substantial shareholders or any of their respective associates or any other Placees.

The Placing Agent shall use its best endeavour to ensure that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules) immediately after the Placing.

Commission

The Company shall pay to the Placing Agent a placing commission in Hong Kong dollars of 3.5% of the amount equal to the Placing Price multiplied by the number of the Placing Shares subscribed by each Placee.

Number of Placing Shares

The maximum of Placing Shares of up to 30,000,000 new Shares under the Placing represent (i) approximately 5.37% of the existing issued Shares as at the date of this announcement; and (ii) approximately 5.10% of the issued Shares as enlarged by the allotment and issue of the Placing Shares, assuming no further change in the issued Shares prior to the Completion. The aggregate nominal value of the Placing Shares will be HK\$300,000.

Placing Price

The Placing Price of HK\$0.35, which (i) is equivalent to the closing price of HK\$0.350 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) represents a premium of approximately 0.57% over the average closing price of HK\$0.348 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The net Placing Price, after deducting the commission payable to the Placing Agent, professional fees and other related costs and expenses, is expected to be approximately HK\$0.333 per Placing Share.

The Placing Price was determined after arm's length negotiations between the Parties with reference to, among other things, the current market conditions and prevailing market price of the Shares. The Directors consider that the terms of the Placing Agreement (including the Placing Price) are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares to be issued are fully paid up and rank *pari passu* in all respects among themselves and with the Shares in issue, including as to the right to receive all dividends and distributions which may be declared, made or paid after the Completion Date and will be issued free and clear of all liens, encumbrances, equities or other third party rights.

Conditions precedent of the Placing

The Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares;
- (ii) all necessary consents, approvals, authorisations and/or waivers having been obtained by the Company to effect the execution, completion and performance of the obligations and other terms of the Placing Agreement; and
- (iii) the Placing Agent having received from the Company certified board resolutions approving the Placing and the entering into of the Placing Agreement.

The abovementioned conditions precedent (i) to (iii) may not be waived.

If the abovementioned conditions precedent are not satisfied on 25 February 2022 or such later date to be agreed between the Parties in writing (the "**Long Stop Date**"), the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the Parties will forthwith cease and determine and no Party will have any claim against the others (save for any antecedent breaches of the Placing Agreement).

Completion

The Completion shall take place on the Completion Date.

Termination

Notwithstanding that anything contained in the Placing Agreement, if, at any time prior to 10:00 a.m. on the Completion Date, in the reasonable opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (a) any material breach of any of the representations, warranties and undertakings set out in the Placing Agreement; or
- (b) any of the following events:
 - (i) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - (ii) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date of the Placing Agreement and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
 - (iii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (iv) a change or development involving a prospective change in taxation in Hong Kong, Bermuda or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or
 - (v) any change or deterioration in the conditions of local, national or international securities markets occurs,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 10:00 a.m. on the Completion Date.

In the event that the Placing Agent terminates the Placing Agreement pursuant to the above paragraphs, the Placing Agent shall arrange for the repayment to all investor(s) of all application moneys paid by them without interest. Save for the aforesaid, all obligations of each of the Parties, shall cease and determine and no Party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

General Mandate

The Placing Shares will be allotted and issued pursuant to the General Mandate. Under the General Mandate, the Board is authorised to issue up to 74,431,224 new Shares. As at the date of this announcement, no new Share has been issued under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to the Shareholders' approval.

Application for Listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for granting the approval for the listing of, and permission to deal in, the Placing Shares.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

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

Assuming all the Placing Shares are successfully placed by the Placing Agent, the maximum gross proceeds from the Placing will be HK\$10,500,000. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fees and other related costs and expenses incurred in the Placing) will be approximately HK\$10 million which will be used as to (i) settlement of the outstanding liabilities of the Group in the amount of approximately HK\$3 million (being approximately 30% of the net proceeds); and (ii) general working capital of the Group in the amount of approximately HK\$7 million (being approximately 70% of the net proceeds).

The Directors are of the view that (i) the terms of the Placing Agreement were determined after arm's length negotiations between the Parties and are on normal commercial terms; (ii) the Placing represents a good opportunity to raise additional funds through the equity market as well as to broaden the capital and shareholder base of the Company; and (iii) the net proceeds of the Placing will strengthen the financial position of the Group to meet its future development funding needs. Accordingly, the Directors consider that the terms of the Placing Agreement are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activity during the 12 months immediately preceding the date of this announcement:

Date of announcement	Event	Net proceeds raised	Proposed use of proceeds	Actual use of proceeds as at the date of this announcement
14 July 2021	Rights issue on the basis of one (1) rights share for every two (2) new shares held on the record date	Approximately HK\$70 million	<ul style="list-style-type: none"> (i) 20% (approximately HK\$14 million) of net proceeds for the reimbursement for trade and other payables accounts, in particular with regard to long-term outstanding payables; (ii) 10% (approximately HK\$7 million) of net proceeds for payment for the annual license fee for train media platform; (iii) 50% (approximately HK\$35 million) of net proceeds for repayment for bank and other borrowings, in particular to settle the borrowings with close maturity date and relatively high finance costs; and (iv) the remaining 20% (approximately HK\$14 million) of net proceeds for the Group's general working capital (including but not limited to (a) the operating cashflow for expanding its scale of convergence media business; and (b) payment for daily operating expenses such as rental, salaries, legal and professional expenses) 	Used as intended

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past 12 months immediately prior to the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon the Completion (assuming the Placing Shares are fully placed and there is no other change in the issued Shares from the date of this announcement up to the Completion Date) are set out below:

Shareholders	(i) As at the date of this announcement		(ii) Immediately upon the Completion (assuming the Placing Shares are fully placed and there is no other change in the issued Shares from the date of this announcement up to the Completion Date)	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Directors				
Zhang Yi (<i>Note 1</i>)	21,542,750	3.8591%	21,542,750	3.6623%
Lam Sze Man (<i>Note 2</i>)	50,000	0.0090%	50,000	0.0085%
Chu Wei Ning (<i>Note 2</i>)	3,000,000	0.5374%	3,000,000	0.5100%
Chan Kee Huen, Michael (<i>Note 2</i>)	2,500	0.0004%	2,500	0.0004%
The Placees	–	–	30,000,000	5.1000%
Public Shareholders	533,638,933	95.5941%	533,638,933	90.7188%
Total	<u>558,234,183</u>	<u>100.0000%</u>	<u>588,234,183</u>	<u>100.0000%</u>

Notes:

- 8,000 Shares are beneficially owned by Mr. Zhang Yi, an executive Director, and 21,534,750 Shares are beneficially owned by One Faith Investments Limited, which is beneficially and wholly owned by Mr. Zhang Yi.
- Ms. Lam Sze Man and Ms. Chu Wei Ning are executive Directors, and Mr. Chan Kee Huen, Michael is an independent non-executive Director.

As the Completion is subject to satisfaction of the conditions precedent as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong
“Company”	China Baoli Technologies Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on Main Board of the Stock Exchange
“Completion”	the completion of the Placing in accordance with the Placing Agreement
“Completion Date”	25 February 2022 or not later than the third Business Day following the satisfaction of the conditions specified in the Placing Agreement or such other date as the Company and the Placing Agent shall agree
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	directors of the Company
“General Mandate”	the general mandate granted by the Shareholders to the Directors to allot, issue and deal with not more than 74,431,224 new Shares, representing 20% of the issued share capital of the Company as at the annual general meeting of the Company held on 30 September 2021
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	any individual(s), corporation(s) and/or institutional or professional investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement

“Placing”	the offer by way of a private placing of the Placing Shares procured by the Placing Agent to selected investors on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Kingkey Securities Group Limited, a licensed corporation to carry out regulated activities Type 1 (dealing in securities), and Type 4 (advising on securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 28 January 2022 in respect of the Placing
“Placing Period”	the period commencing upon the execution of the Placing Agreement and terminating at 5:00 p.m. on the five Business Day prior to the Completion Date, unless terminated earlier pursuant to the terms of the Placing Agreement
“Placing Price”	the price of HK\$0.35 per Placing Share
“Placing Shares”	up to 30,000,000 Shares to be issued under the General Mandate and to be placed under the Placing
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong Dollars, the lawful currency in Hong Kong
“%”	per cent.

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

Hong Kong, 28 January 2022

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.