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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

ANNUAL RESULTS

The board (the "**Board**") of directors ("**Director(s)**") of China Baoli Technologies Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") hereby announces the consolidated annual results of the Group for the year ended 31 March 2021, together with the comparative audited figures for the year ended 31 March 2020, as follows:

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31 March 2021

	Notes	**2021** *HK$'000*	2020 *HK$'000*
Revenue from contracts with customers	*4*	**54,941**	49,302
Cost of revenue		**(41,698)**	(42,636)
Gross profit		**13,243**	6,666
Other income, gains and losses, net	*5*	**3,696**	15,140
Impairment losses under expected credit loss model, net of reversal		**998**	(6,464)
Impairment loss on goodwill		**(14,466)**	—
Administrative expenses		**(36,378)**	(118,216)
Selling and distribution expenses		**(8,044)**	(4,912)
Loss on deconsolidation of a subsidiary	*7*	**(39,585)**	(175,437)
Gain on deregistration of subsidiaries		—	3,445
Loss on derecognition of associates		—	(313)
Gain on disposal of a subsidiary	*8*	—	207,760
Finance costs	*6*	**(33,423)**	(43,138)

	Notes	**2021** *HK$'000*	2020 *HK$'000*
Loss before tax		**(113,959)**	(115,469)
Income tax credit (expense)	*9*	**1,319**	(3,090)
Loss for the year	*10*	**(112,640)**	(118,559)
Loss for the year attributable to:			
— Owners of the Company		**(111,404)**	(114,089)
— Non-controlling interests		**(1,236)**	(4,470)
		(112,640)	(118,559)
Loss per share	*12*		
— Basic and diluted		**(2.99) cents**	(3.08) cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2021

	2021	2020
	HK$'000	*HK$'000*
Loss for the year	**(112,640)**	(118,559)
Other comprehensive (expense) income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(12,595)**	11,874
Release of exchange reserve upon deconsolidation of a subsidiary	**3,279**	—
Release of exchange reserve upon derecognition of subsidiaries	**—**	(3,923)
Release of exchange reserve upon derecognition of associates	**—**	313
Other comprehensive (expense) income for the year, net of income tax	**(9,316)**	8,264
Total comprehensive expense for the year	**(121,956)**	(110,295)
Total comprehensive expense attributable to:		
Owners of the Company	**(120,833)**	(106,395)
Non-controlling interests	**(1,123)**	(3,900)
	(121,956)	(110,295)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	Notes	2021 HK$'000	2020 HK$'000
Non-current assets			
Property, plant and equipment		**5,470**	6,699
Right-of-use asset		**8,264**	11,197
Intangible assets		**34,487**	52,292
Goodwill		**45,935**	54,962
Interests in associates		**—**	—
Deferred tax assets		**1,348**	—
		95,504	125,150
Current assets			
Inventories		**—**	7
Trade and other receivables	*13*	**32,331**	44,374
Financial assets at fair value through profit or loss		**224**	512
Bank balances and cash		**10,063**	2,715
		42,618	47,608
Current liabilities			
Trade and other payables	*14*	**300,024**	237,970
Contract liabilities		**42,732**	26,543
Lease liabilities		**812**	3,586
License fees payables		**23,942**	28,633
Tax payable		**3,090**	3,090
Bank and other borrowings		**297,244**	259,491
Convertible loan		**—**	9,493
		667,844	568,806
Net current liabilities		**(625,226)**	(521,198)
Total assets less current liabilities		**(529,722)**	(396,048)

	Notes	2021 HK$'000	2020 HK$'000
Non-current liabilities			
Bank and other borrowings		**—**	9,868
Lease liabilities		**—**	812
License fees payables		**—**	23,763
Convertible loan		**10,442**	—
		10,442	34,443
Net liabilities		**(540,164)**	(430,491)
Capital and reserves			
Share capital		**372,156**	372,156
Reserves		**(911,569)**	(790,861)
Equity attributable to owners of the Company		**(539,413)**	(418,705)
Non-controlling interests		**(751)**	(11,786)
Total deficit		**(540,164)**	(430,491)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

China Baoli Technologies Holdings Limited (the "**Company**") was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business in Hong Kong is located at Suites 3706–3708, 37/F, Dah Sing Financial Centre, 248–256 Queen's Road East, Wanchai, Hong Kong.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are multi-media technologies business, gamma ray business, tourism and hospitality business, and other operations — securities trading and investment.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to Hong Kong Accounting Standards ("**HKAS**") 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the *Amendments to References to the Conceptual Framework in HKFRS* Standard and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.1 Impacts on application of Amendments to HKAS 1 and HKAS 8 Definition of Material

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

2.2 Impacts on application of Amendments to HKFRS 3 Definition of a Business

The Group has applied the amendments for the first time in the current year. The amendments clarify that while business usually have output, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group make any acquisition.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments[1]
Amendments to HKFRS 16	Covid-19-Related Rent Concessions[4]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2[5]
Amendments to HKAS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[1]
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use[2]
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020[2]
Hong Kong Accounting Guideline 5 (Revised)	Merger Accounting to Common Control Combination[2]

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after 1 January 2022.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 June 2020.
5 Effective for annual periods beginning on or after 1 January 2021.

Except for the new and amendments to HKFRSs mentioned in the consolidated financial statements, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

As stated in the consolidated financial statements, the Group reported loss attributable to the owners of the Company of approximately HK$111,404,000 for the year ended 31 March 2021 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK$625,226,000 and the Group had net liabilities of approximately HK$540,164,000, in which total bank and other borrowings amounted to approximately HK$297,244,000, while its cash and cash equivalents amounted to approximately HK$10,063,000 only. Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis as the Directors have given careful consideration to the impact of the current and anticipated future liquidity of the Group and are satisfied that:

(1) As set out in the fulfillment of resumption conditions and resumption of trading announcement dated 1 April 2021, the Company proposed to conduct rights issue (the "**Rights Issue**"). It is expected that part of the net proceeds from the Rights Issue will be used to reimburse the debts from current liabilities and non-current liabilities, including but not limited to (i) reimbursement for trade and other payables accounts; (ii) repayment for the license fee; and (iii) repayment for bank and other borrowings; and also, part of the proceeds will be applied as general working capital of the Group. It is expected that the Rights Issue will be completed in the fourth quarter of 2021. Completion of the Rights Issue will be subject to, amongst others, the listing approval of the new shares under the Rights Issue to be granted by the Stock Exchange and approval by the shareholders.

(2) The management has been in discussions with the major creditors to extend the loans and potentially part of them will be repaid by equity (the "**Loan Capitalisation**"). Completion of the Loan Capitalisation will be subject to, amongst others, the listing approval of the issue of new share to be granted by the Stock Exchange, approval by the shareholders and completion of the Rights Issue.

(3) In addition, the substantial shareholder will continue to provide financial support to the Company to meet its financial obligations including payment of interests on bank borrowings, professional fees and other operating expenses.

(4) The shareholders and the Directors undertake not to require the Company to repay their loans until such time when repayment will not affect the ability of the Group to repay other creditors in the normal course of business.

(5) The multi-media technologies business has generated approximately HK$50,792,000 revenue for the year ended 31 March 2021 and this proves the success of Company's business strategies.

The Company will also keep exploring other fund-raising opportunities depending on the market conditions and the business development of the Group from time to time for the best interest of the Company and the shareholders as a whole. Through fund-raising exercises and continuing the abovementioned business strategies, the Group would be able to meet its financial obligations and obtain additional financing resources in pursuing other business and fulfilling the operational needs.

The Directors have prepared a cash flow forecast covering a period up to 31 March 2022 on the basis that the Group's aforementioned plans and measures will be successful, and are satisfied that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the twelve months from 31 March 2022. Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The consolidated financial statements do not include any adjustments that would result from the failure of the Group to obtain sufficient future funding. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to reduce the carrying amounts of the assets of the Group to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

4. REVENUE

For the year ended 31 March 2021

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

	Segment revenue ***HK$'000***
Multi-media technologies business	50,792
Gamma ray business	4,149
Revenue from contracts with customers and total revenue	54,941

For the year ended 31 March 2020

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

	Segment revenue *HK$'000*
Multi-media technologies business	39,946
Tourism and hospitality business *(Note)*	4,681
Gamma ray business	4,675
Revenue from contracts with customers and total revenue	49,302

Note:

Total customer sales proceeds

	2021	2020
	HK$'000	*HK$'000*
Gross sales proceeds related to passenger tickets revenue*	**—**	130,566

* The Group's gross sales proceeds from provision of online travel product booking service, including air tickets, hotel accommodation and other travel products, are considered as cash collected on behalf of a principal as an agent. The gross sales proceeds from these sales, which do not represent revenue, represent the price at which the products have been sold inclusive of service fees. The related service income is recorded by the Group on net basis.

5. OTHER INCOME, GAINS AND LOSSES, NET

	2021	2020
	HK$'000	*HK$'000*
Interest income from financial institutions	**19**	10
Written-off of property, plant and equipment	**—**	(479)
Imputed interest income on rental deposit	**161**	145
Gain on disposal of property, plant and equipment	**—**	1
Gain from change in fair value of convertible loan derivative component	**1,187**	49
Loss on modification of convertible loan	**(401)**	—
Net unrealised losses on financial assets at fair value through profit or loss	**(288)**	(266)
Gain on early renewal of license fee agreement	**—**	17,382
Exchange gain (loss), net	**1,780**	(1,106)
Government grants *(Note)*	**676**	8
Others	**562**	(604)
	3,696	15,140

Note:

During the year ended 31 March 2021, the Group recognised government grants of approximately HK$676,000 in respect of COVID-19-related subsidies related to Employment Support Scheme provided by the Government of the Hong Kong Special Administrative Region.

6. FINANCE COSTS

	2021	2020
	HK$'000	*HK$'000*
Interests on:		
Bank borrowings	**251**	728
Margin account payable	**3,594**	3,324
Placing notes at effective interest rates	**1,635**	1,658
Overdue royalty fee payable	**—**	12,947
Overdue rental expenses	**—**	260
Convertible loan payable at effective interest rates	**1,735**	992
Other borrowings	**17,529**	14,376
Lease liabilities	**264**	568
License fees payables	**8,415**	8,285
	33,423	43,138

7. DECONSOLIDATION OF SUBSIDIARIES

For the year ended 31 March 2021

(a) Deconsolidation of 寶力優特科技（深圳）有限公司 (Baoli Yota Technologies (Shenzhen) Limited*) ("Boali Yota")

A creditor of Baoli Yota had applied for the bankruptcy and liquidation of Baoli Yota to 廣東省深圳市中級人民法院 (Intermediate People's Court of Shenzhen, Guangdong Province of the PRC*) (the "**SZ Court**") on the ground that Baoli Yota is unable to pay its outstanding debt.

Pursuant to the judgment on 25 August 2020, the SZ Court held that the creditor's application complied with the legal requirements and accepted the creditor's application for bankruptcy and liquidation against Baoli Yota, and designated 深圳市正源清算事務有限公司 (Shenzhen Zhengyuan Liquidation Services Company Limited*) as the bankruptcy administrator of Baoli Yota.

Accordingly, the Group had deconsolidated Baoli Yota as the Directors considered that the Group's control over Baoli Yota had been lost on 25 August 2020.

* *For identification purpose only*

	HK$'000
Analysis of assets and liabilities over which control was lost:	
Plant and equipment	8
Trade and other receivables	443
Amount due from immediate holding company	63,746
Bank balances and cash	691
Trade and other payables	(12,226)
Amount due to a non-controlling shareholder	(28,420)
Amounts due to group companies	(21,735)
Net assets	2,507
Loss on deconsolidation of Baoli Yota:	
Net assets deconsolidated	2,507
Amounts due from Baoli Yota	21,735
Non-controlling interest	12,064
Release of exchange reserve	3,279
Loss on deconsolidation	39,585
Net cash outflow arising on deconsolidation:	
Bank balances and cash of Baoli Yota	(691)

For the year ended 31 March 2020

(b) Deconsolidation of We Fly Travel Limited ("We Fly")

On 3 February 2020, a director who was appointed by the Group as a director of We Fly, has resigned as a director of We Fly, accordingly, the Directors resolved that the Group no longer had the power to govern the financial and operating policies of We Fly, and the control over We Fly could no longer meet the definition of control in HKFRS 10 *Consolidated Financial Statements* on that date. Consequently, the Group had deconsolidated We Fly on 3 February 2020 (the "**We Fly Deconsolidation Date**").

Due to the non-cooperation of the management of We Fly, the Directors were unable to access the books and records of We Fly since the We Fly Deconsolidation Date, despite the fact that the Directors have taken all reasonable steps and have used their best endeavors to resolve the matter.

	HK$'000
Analysis of assets and liabilities over which control was lost:	
Plant and equipment	275
Intangible assets	10
Goodwill	185,285
Deferred tax assets	2,524
Trade and other receivables	3,869
Bank balances and cash	2,153
Amount due to group company	(1,150)
Trade and other payables	(22,776)
Deferred tax liabilities	(30)
Net assets	170,160
Loss on deconsolidation of We Fly:	
Net assets deconsolidated	170,160
Amount due from We Fly	1,150
Non-controlling interest	4,127
Loss on deconsolidation	175,437
Net cash outflow arising on the deconsolidation:	
Bank balances and cash of We Fly	(2,153)

8. DISPOSAL OF A SUBSIDIARY

For the year ended 31 March 2020

Disposal of China Baoli Innovation Technologies Limited ("CB Innovation")

On 18 March 2020, the Group disposed of its 100% equity interests of CB Innovation, at a consideration of HK$100,000 to an independent third party. The net liabilities of CB Innovation at the date of disposal were as follows:

	HK$'000
Consideration received:	
Cash received	100

Analysis of liabilities over which control was lost:	*HK$'000*
Amount due to group company	(36,206)
Trade and other payables	(207,660)
Net liabilities disposed of	(243,866)
Gain on disposal of CB Innovation:	
Consideration received	100
Net liabilities disposed of	243,866
Amount due from CB Innovation	(36,206)
Gain on disposal	207,760
Net cash inflow arising on disposal of CB Innovation:	
Cash consideration	100

9. INCOME TAX CREDIT (EXPENSE)

	2021	2020
	HK$'000	*HK$'000*
Current tax — PRC	**(29)**	(3,090)
Deferred taxation	**1,348**	—
	1,319	(3,090)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax

rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

No provision for taxation in Hong Kong has been made for both years ended 31 March 2021 and 2020 as the Group did not generate any assessable profits arising in Hong Kong.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries and subsidiaries without permanent establishment in the PRC are 25% and 10% respectively for both years ended 31 March 2021 and 2020.

10. LOSS FOR THE YEAR

	2021	2020
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging:		
Staff costs		
— directors' emoluments (excluding share-based payments)	**4,082**	5,221
— salaries and other benefits in kind	**7,543**	8,186
— retirement benefits scheme contributions	**523**	756
	12,148	14,163
Auditors' remuneration		
— audit services	**980**	1,210
— non-audit services	**160**	40
Depreciation of property, plant and equipment	**1,635**	1,953
Depreciation of right-of-use assets	**3,527**	3,525
Amortisation of intangible asset included as cost of revenue	**31,884**	20,673
Cost of inventories recognised as an expense	**7**	8,024
Royalty fee	**—**	61,667

11. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2021, nor has any dividend been proposed since the end of the reporting period (2020: Nil).

12. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2021	2020
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**(111,404)**	(114,089)

	2021	2020
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**3,721,561**	3,706,534

The computation of diluted loss per share for the years ended 31 March 2021 and 2020 does not assume the conversion of the subsidiary's outstanding convertible loan since their assumed exercise would result in a decrease in loss per share.

13. TRADE AND OTHER RECEIVABLES

	2021	2020
	HK$'000	*HK$'000*
Trade receivables	**3,170**	11,307
Less: Allowance for credit losses	**—**	(6,291)
Trade receivables	**3,170**	5,016
Bill receivables	**1,717**	—
Trade and bill receivables, net	**4,887**	5,016
Other receivables and deposits	**22,718**	41,775
Prepayments	**5,147**	625
	27,865	42,400
Less: Allowance for credit losses	**(421)**	(3,042)
Other receivables, prepayments and deposit paid, net	**27,444**	39,358
Trade and other receivables, net	**32,331**	44,374

As at 1 April 2019, trade and bills receivables from contracts with customers amounted to approximately HK$8,936,000 net of allowance for credit losses of HK$806,000.

The following is an aged analysis of trade and bills receivables net of allowance for credit losses, presented based on the invoice date, which approximates the respective revenue recognition dates:

	2021	2020
	HK$'000	*HK$'000*
0 to 30 days	**2,365**	426
31 to 90 days	**625**	1,746
91 to 180 days	**1,897**	958
181 to 365 days	**—**	1,886
	4,887	5,016

14. TRADE AND OTHER PAYABLES

	2021	2020
	HK$'000	*HK$'000*
Trade payables	**41,435**	65,228
Other payables and accruals	**162,120**	111,076
Deposit received	**15,640**	15,640
Amounts due to shareholders and directors	**80,829**	46,026
	300,024	237,970

The following is an aged analysis of trade payables presented based on the invoice date:

	2021	2020
	HK$'000	*HK$'000*
Up to 30 days	**82**	109
31 to 90 days	**82**	166
91 to 180 days	**246**	151
181 to 365 days	**421**	453
Over 365 days	**40,604**	64,349
	41,435	65,228

The average credit period granted by the trade creditors is 30 to 45 days (2020: 30 to 45 days).

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 March 2021 which has included a disclaimer of opinion:

DISCLAIMER OF OPINION

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the *Basic for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

(a) Limitations of scope on comparative figures and related disclosures

The audit opinion on the consolidated financial statements of the Group for the year ended 31 March 2020, which form the basis for the comparative figures presented in the consolidated financial statements for the year ended 31 March 2021, was disclaimed by us because of the significance of the possible effect of the limitations of scope as follows:

(i) Limitations of scope on loss on deconsolidation of We Fly Travel Limited ("We Fly")

As stated in note to the consolidated financial statements, a director who was appointed by the Group as a director of We Fly, resigned on 3 February 2020, accordingly, the directors of the Company (the "**Directors**") resolved that the Group no longer had the power to govern the financial and operating policies of We Fly, and the control over We Fly was lost on that date and deconsolidate We Fly since 3 February 2020 (the "**We Fly Deconsolidation Date**").

Due to the non-cooperation of the management of We Fly, the Directors were unable to access to the books and records of We Fly since the We Fly Deconsolidation Date, despite the fact that the Directors have taken all reasonable steps and has used its best endeavors to resolve the matter.

Under the circumstances as explained above, we were not able to carry out procedures which we considered necessary on the books and records of We Fly and we were unable to satisfy ourselves as to whether the loss of We Fly of approximately HK$4,998,000 for the period from 1 April 2019 to the We Fly Deconsolidation Date and the loss on deconsolidation of We Fly of approximately HK$175,437,000 arising thereon was fairly stated. There were no other satisfactory audit procedures that we could adopt to obtain sufficient appropriate evidence in this regard.

(ii) Limitation of scope on share of results and derecognition of interests in associates

As stated in note to the consolidated financial statements, the Directors assessed that the Group has lost its significant influence on the Yota Group on 30 April 2019 (the "**Yota Derecognition Date**"). As the books and records of the Yota Group were kept and maintained by the official liquidator, which were not made available to the Group's management, we have not been provided with sufficient appropriate audit evidence, including information and explanations, to ascertain the financial position of the Yota Group as at the Yota Derecognition Date and its result of operations for the period from 1 April 2019 to the Yota Derecognition Date. There were no other satisfactory audit procedures that we could adopt to obtain sufficient appropriate evidence in this regard.

Any adjustment found to be necessary to the above amounts would affect the Group's loss and other comprehensive income for the year ended 31 March 2020 and related disclosures to the consolidated financial statements. Our audit opinion on the consolidated financial statements for the year ended 31 March 2021 was modified because of the possible effect of this matter on the comparability of the related current year figures and the corresponding figures in the consolidated statement of profit or loss.

(b) Limitation of scope on loss on deconsolidation of Baoli Yota Technologies (Shenzhen) Limited* ("Baoli Yota")

As stated in note to the consolidated financial statements, on 25 August 2020 (the "**Baoli Yota Deconsolidation Date**"), the Company has been informed by the Intermediate People's Court of Shenzhen, Guangdong Province of the PRC* (the "**SZ Court**") that the SZ Court held that the creditor's application complied with the legal requirements and accepted the creditor's application for bankruptcy and liquidation against Baoli Yota. On the same date, the SZ Court has designated a bankruptcy administrator in relation to the bankruptcy and liquidation of Baoli Yota. Consequently, the Group had deconsolidated Baoli Yota as the Directors considered that the Group's control over Baoli Yota had been lost on the Baoli Yota Deconsolidation Date. The Group recognised a loss on deconsolidation of Baoli Yota of approximately HK$39,585,000 during the year ended 31 March 2021.

The books and records of Baoli Yota were kept and maintained by the bankruptcy administrator of Baoli Yota, which were not made available to the Group's management subsequent to the Baoli Yota Deconsolidation Date. Under the circumstances as explained above, we were not able to carry out procedures which we considered necessary on the books and records of Baoli Yota, to satisfy ourselves as to the existence, ownership, completeness, accuracy, valuation and classification of its total assets of approximately HK$64,888,000 and total liabilities of approximately HK$62,381,000 and the cumulative exchange reserve of approximately HK$3,279,000 (debit balance) as at the Baoli Yota Deconsolidation Date and of its loss of approximately HK$4,071,000 for the period from 1 April 2020 to the Baoli Yota Deconsolidation Date. Consequently, we were unable to satisfy ourselves as to whether the loss on deconsolidation of approximately HK$39,585,000 arising thereon was fairly stated.

Any adjustments found to be necessary to the above amounts would affect the amounts recorded in the consolidated statement of profit or loss and other comprehensive income in respect of Baoli Yota, with a corresponding effect on the loss on deconsolidation of a subsidiary, and the related disclosure thereof in the consolidated financial statements.

(c) Multiple fundamental uncertainties relating to going concern

As stated in note to the consolidated financial statements, the Group reported loss attributable to the owners of the Company of approximately HK$111,404,000 for the year ended 31 March 2021 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK$625,226,000 and the Group had net liabilities of approximately HK$540,164,000, in which total borrowings amounted to approximately HK$297,244,000, while its cash and cash equivalents amounted to approximately HK$10,063,000.

These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

As explained in note to the consolidated financial statements, the consolidated financial statements have been prepared by the Directors on a going concern basis, the validity of which is dependent on the Group's ability to obtain sufficient future funding. Due to the uncertainty of the Group's ability to maintain adequate future cash flows, we were unable to ascertain whether the assumptions made by the Directors in preparing the consolidated financial statements on a going concern basis are proper and appropriate.

Should the going concern assumption be inappropriate, adjustments would be necessary to reclassify all non-current assets and liabilities as current assets and liabilities respectively, write-down the value of assets to their recoverable amounts and to provide for further liabilities which may arise. The consolidated financial statements have not incorporated any of these adjustments. However, the uncertainty surrounding the Group's future cash flows raises significant doubt about the Group's ability to continue as a going concern. We consider that appropriate disclosures have been made in the consolidated financial statements concerning this situation, but we are unable to obtain adequate evidence concerning the Group's ability to meet any financial obligations as and when they fall due and we consider that these material uncertainties relating to going concern basis.

We consider the cumulative effect of the above matters on the consolidated financial statements is so extreme that we have disclaimed our opinion.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

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

The Group's revenue from operation for the year under review marked some rebound amidst the exceptional challenging business environment due to the COVID-19 pandemic. The Group's consolidated revenue was approximately HK$54,941,000, compared to HK$49,302,000 in the previous year, representing a year-on-year increase of 11%. The loss attributable to shareholders of the Company was HK$111,404,000, of which, HK$54,051,000 represented one-off exceptional items, including impairment loss on goodwill and loss on deconsolidation of a subsidiary. The figures demonstrated the Company's revenue base has made great strides.

The business activities are expected to resume gradually after the roll-out of various COVID-19 vaccines. However, there remain significant challenges and uncertainties for the regional economy in the post-pandemic period. The Group, under such conditions, will continue to deploy its long-term strategic initiatives in developing and operating the multi-media technologies business and the gamma ray business. The Group will explore potential strategic investments and cooperation opportunities in expanding the scope of businesses in these business segments, so as to achieve growth and create value for shareholders in the long term.

Multi-media Technologies Business

The Group has operated the multi-media sharing and advertising platform via different media channels including train media platform, display media platform and online media platform by using the knowhow and expertise which has been developed and accumulated. Brand owners can disseminate information on such platforms developed and provided by the Group. The Group also provides services to its clients in relation to producing high-quality and tailor-made multi-media contents.

One substantial application of such knowhow and expertise is transport and other panels in the city centers. As portals to cities, trains are the city's nerve center and the daily channels for millions of people. It has transformed from a simple traffic tool to a living space on its own and can reach an ever-larger captive, network audience which is highly valued by advertisers. The Group helps clients produce high-quality and tailor-made multi-media contents on display media and O2O advertising which can be accessed by millions of travellers in one of the most developed train networks in the world, thereby providing a strategic and effective channel for the People's Republic of China ("**PRC**") and international brands to increase their brand awareness and promote their business in the Guangdong-Hong Kong-Macao Greater Bay Area.

The Group possesses the exclusive rights to operate 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.

On 23 July 2020, the Group further completed the acquisition of 80% of the entire issued share capital of ShenZhen ZiJun Media Company Limited* (深圳紓駿傳媒有限公司) ("**ZiJun Media**") from two independent third parties. The details of this acquisition are set out in the announcement of the Company dated 13 July 2020. ZiJun Media has extensive experience in organising and coordinating the operation of train media business in mainland China and will also create synergy to the Group's multi-media technologies business.

In addition, the Company is trying to expand its foothold to influencer marketing platform, online live streaming, brand management and the ancillary online/offline e-commerce marketing services. It is expected that the exploration to the online influencer market would allow the Group to diversify its existing multi-media platforms and catch up with the growth of the influencer and e-commerce sector.

To further strengthen the Company's market position and diversify its multi-media technologies and advertising platforms, the Group has established business collaborations with other multi-media advertising platform owners in relation to the right on listing multi-media contents on building walls in mainland China. The Group has been and will design multi-media contents and display using LED on the whole exterior of the building.

The multi-media technologies business recorded a revenue of approximately HK$50,792,000 for the year ended 31 March 2021 (2020: HK$39,946,000).

The Group has put a lot of efforts and resources in building the multi-media sharing and advertising platform to today's scale, and believes that the performance of the multi-media technologies business is well placed to thrive and continue to be one of the key revenue drivers of the Group.

Gamma Ray Business

The gamma ray business has been principally in relation to the provision of irradiation sterilisation processing service by utilising gamma ray technologies. Other than the provision of irradiation sterilisation processing service, the management is actively seeking opportunities to diversify the application of gamma ray technologies of the Group to different aspect for widening the income stream of the Group. The Group is working with some reputable large-sized enterprises in mainland China in relation to the provision of real-time assessment and selection services in beneficiation and production of metal ores. The Group will utilise its gamma ray technologies combined with its authorised technology named "dry grinding and dry separation" to further develop its technology "gamma ray dry grinding and dry separation", and provide such technology to mainland enterprises so as to enhance the efficiency and productivity of the mining and beneficiation process. With the technologies to be provided to mainland enterprises, the Company is expected to widen the revenue stream from irradiation sterilisation processing service to gamma ray dry grinding and dry separation service.

In respect of the gamma ray business, the revenue for the year ended 31 March 2021 was approximately HK$4,149,000 (2020: HK$4,675,000).

Tourism and Hospitality Business

In respect of the tourism and hospitality business, the Group has been closely monitoring the developments of the pandemic and will position itself to pursue and capture suitable business opportunities in the tourism and hospitality industry as and when they arise.

Other Operations — Securities Trading and Investment

The Group's securities trading and investment business continued to adopt a wait and see attitude investment strategy during the year under review. The Group's securities trading and investment business reported a loss of approximately HK$3,882,000 (2020: loss of HK$3,589,000), representing a net unrealised losses of approximately HK$288,000 (2020: net unrealised losses of HK$266,000) arising from change in fair value of listed securities held for trading. As at 31 March 2021, the carrying amount of the listed securities was approximately HK$224,000 (2020: HK$512,000).

A summary of the listed securities held by the Group during the year under review is set out in the table below.

Company name	Place of incorporation	Percentage of shareholdings in equity investment as at 31 March 2021	Percentage of total assets of the Group as at 31 March 2021	Fair value as at 31 March 2021	Unrealised gain (loss) on fair value change for the period	Realised gain (loss) on fair value change for the period	Dividend received	Principal activities
				HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	
REXLot Holdings Limited	Bermuda	0.117%	–	–	–	–	–	Development of the lottery systems and games, as well as the distribution and marketing of lottery products in the PRC
Greatwalle Inc	Cayman Islands	0.241%	0.148%	224	(288)	–	–	Provision of security guarding services and mobile game business

BUSINESS MODEL AND BUSINESS STRATEGY

Diversification is our core business strategy. The Group is committed to achieving long-term sustainable growth of its businesses in preserving and enhancing the shareholders' value. The Group is focused on looking for attractive investment opportunities to strengthen and widen its business scope. The Group has maintained a prudent and disciplined financial management to ensure its sustainability.

Prospects

Despite the fact that there will be ongoing challenges and uncertainties for the economy in the post-pandemic period, the performance of the multi-media technologies business have demonstrated our business strategy in diversification has begun to yield positive impacts across the Group's businesses.

To make the businesses more resilient, the Group will continue to allocate substantial resources to multi-media technologies business segment and the gamma ray segment under the Group's long-term strategy. Through accelerating the diversification of the business channels and enhancing the development of multi-media technologies platform and gamma ray dry grinding and dry separation technology, the Company is confident that the operations and results of the Group will continue to improve in the post-pandemic period. The Group will also continue to generate value to its shareholders and to achieve prominent growth in these business segments.

The Group will further examine its expenditure to focus on increased productivity and cost savings, and will focus on prioritising the projects and deferring or cancelling non-critical expenditure. The Company would like to thank all our staffs for the dedication they have shown during these exceptionally challenging times in ensuring that the Company can maintain its operations as competitive as possible.

Looking ahead, the Group will continue to explore potential strategic investment and cooperation opportunities with an aim of creating synergies for the Group in various aspects including technological development, product portfolio, channel expansion and/or cost control. The Company is confident that the operations and results of the Group will continue to improve in the near future upon control of the COVID-19 pandemic and the Group will continue to generate value to its Shareholders of the Company.

Financial Review

During the year under review, the Group recorded a revenue of approximately HK$54,941,000 (31 March 2020: HK$49,302,000), representing an increase of approximately 11% compared with last year. The increase in revenue was mainly due to the improvement of the multi-media technologies business of the Group. Despite the challenging business environment, loss for the year under review of the Group amounted to approximately HK$112,640,000 (31 March 2020: HK$118,559,000), which was mainly attributable to the cost declined incurred for the multi-media technologies business. As at 31 March 2021, the total assets and net liabilities of the Group were approximately HK$138,122,000 and HK$540,164,000 (31 March 2020: HK$172,758,000 and HK$430,491,000) respectively.

Liquidity and Financial Resources

As at 31 March 2021, the Group had bank balance and cash of approximately HK$10,063,000 (31 March 2020: HK$2,715,000), and the Group had total bank and other borrowings of approximately HK$297,244,000 (31 March 2020: HK$269,359,000). As at 31 March 2021. The gearing ratio, being the ratio of the sum of total borrowings to total deficit, was 55.03% as at 31 March 2021 (31 March 2020: 100.4%). The liquidity ratio, being the ratio of current assets over current liabilities, was 6.38% as at 31 March 2021 (31 March 2020: 8.37%).

Pledge of Assets

As at 31 March 2021, the Group's land use rights and certain property, plant and equipment with carrying amount of approximately HK$Nil (31 March 2020: HK$11,021,000) were pledged to a bank to secure the bank borrowing granted to the Group. As at 31 March 2021, the Group's listed securities with carrying amount of approximately HK$224,000 (31 March 2020: HK$512,000) were pledged to secure margin account payable granted to the Group.

Contingent Liabilities

As at 31 March 2021, the Group had no significant contingent liabilities (2020: Nil).

Events after the Reporting Period

On 8 June 2021, Baoli Youta (Shanghai) Communication Technology Co., Ltd.* (寶力優塔（上海）通訊科技有限公司) ("**Baoli Youta**"), a subsidiary of the Group, entered into a business collaboration with Chun Mian Network Technology (Shanghai) Co., Ltd.* (純免網絡科技（上海）有限公司) ("**Chun Mian Network 純免網絡**") to jointly establish a joint venture, i.e. Shanghai Chun Mian Di Fu International Trade Co., Ltd.* (上海純免遞福國際貿易有限公司) (the "**JV Company**"), in the PRC. Leveraging on the Group's train media and advertising resources and its strong multi-media technologies knowhow, the Group and the JV Company will conduct a series of cooperation and exploration in convergence media digital advertising and marketing business, innovatively integrate the emerging online shopping trend in cross-border duty-free e-commerce industry on the train media platform and to interact with the train patronage through mobile online-media marketing, influencer/KOL live streaming and others.

Due to the on-going impact of the pandemic on the global economy, it is expected that the continuous travel demand would change from international travelling to domestic travelling. Other than airlines, high-speed railway is the most frequently-used travelling transportation in mainland China. The annual patronage of railway amounted to over 100 million passengers in the Guangdong-Hong Kong-Macau Greater Bay Area. A significant increase in such passenger flow is expected in the post pandemic period, and this will help in expanding the Group's high-speed railway convergence media platform business.

In addition, with the support from the comprehensive consumption promotion and domestic circulation policies proposed by the 14th Five-Year Plan, demand for dutyfree commodities will be further driven by strong demand and domestic consumptions for branded products. It is estimated that the sales of domestic duty-free commodities will amount to RMB355.4 billion by 2025, indicating a promising future for duty-free products. The JV Company has strong strategic value as not only Chun Mian Network 純免網絡 is the exclusive operator in mainland China authorized by China Duty Free Shop (Hong Kong) Group Co., Limited (中國免稅店（香港）集團公司) to engage in cross-border e-commerce bonded import goods, establishment of duty-free experience stores and other businesses, but also it has strong partnerships with many world renowned duty-free groups and supply chain companies.

With the current macro-environment, market and policy circumstances, the Group aims to expand its scale of convergence media business via the new online/offline duty-free importing e-commerce marketing platform services. Details of this business development are set out in the announcement of the Company dated 8 June 2021.

LITIGATIONS

(1) In April 2016, the Company completed a placing pursuant to the terms of the placing agreement with a placing agent and allotted and issued 25,000 million new shares to various placees (the "**Placing**"). Pursuant to the terms of the placing agreement, each placee undertook to the Company that the shares issued and allotted to them under the Placing would be subject to a lock-up period of 24 months from the date of allotment and issue of such shares. In May 2016, three placees under the Placing were found to have breached their lock-up undertakings to the Company under the Placing by pledging their shares to two lenders as security for loans. An interlocutory injunction order (the "**Injunction Order**") was obtained by the Company from the High Court of Hong Kong (the "**Court**") on 27 May 2016, which was subsequently continued by a court order given on 3 June 2016, restraining the three placees from breaching the lock-up undertakings by, among other things, directly or indirectly selling, mortgaging, charging, pledging, hypothecating, lending, granting or selling any option, warrant, contract or right to purchase, transferring, disposing of, creating any right over, or agreeing or offering to do any of the aforesaid in relation to the 1,667 million shares allotted and issued to them under the Placing until trial or further order. Further details of the court orders are set out in the announcements of the Company dated 29

May 2016 and 7 June 2016. The two lenders then took out applications in the Court in June 2016 and July 2016 respectively seeking declarations that they are beneficially entitled to the shares being the subject matter of the Injunction Order and later for variation of the Injunction Order to the effect that those shares shall no longer be the subject matter of the Injunction Order. The three placees disputed the contention that the lenders are the beneficial owners of the shares and legal proceedings regarding the ownership of those shares were brought in foreign jurisdictions. On 12 June 2017, the Court ordered that one of the lenders' (the "**2nd Third Party**") application be adjourned pending the decision of the legal proceedings in foreign jurisdiction and the other lender's application be dismissed with costs to the Company. The lock-up period has already expired in April 2018 and the Injunction Order has been automatically discharged upon expiry of the lock-up period. As at the date hereof, one of the placees has executed a Deed of Mutual Release and Global Settlement with the corresponding lenders and the Company to fully and finally settle all relevant legal proceedings in respect of that placee.

(2) On or about 20 August 2013, the Company entered into a placing agreement (the "**2013 Placing Agreement**") with a placing agent (the "**Placing Agent**"). Pursuant to the 2013 Placing Agreement, the placing notes issued by the Company to the note holders carry interest at 5% per annum and are to be redeemed on the seventh anniversary from the issuance dates of the respective placing notes. One creditor purportedly a beneficial owner of placing notes commenced court action against the Company for recovery of her alleged outstanding debt due by the Company to her under the placing notes. Nevertheless, the note holders of placing notes have not commenced any court action against the Company. Such creditor's alleged debt amount includes the principal of HK$10,000,000 and outstanding interest of approximately HK$1,264,000. On or about 16 March 2020, the Placing Agent was added by such creditor as the 2nd defendant in the Amended Writ of Summons and Amended Statement of Claim. On or about 4 December 2020, the Company filed and served a Writ of Summons and Statement of Claim against the Placing Agent. All parties filed and served their Mediation Certificates confirming that all parties accepted to conduct mediation for resolving all disputes in the above action. On 21 June 2021, all parties signed, filed and served the Mediation Minute pending confirmation as to scheduling of the mediation conference date, time and mode.

(3) On 28 September 2017, Allied Jumbo Investments Limited, an indirectly wholly owned subsidiary of the Company, as the purchaser (the "**Purchaser**"), Yulong Computer Telecommunication Scientific (Shenzhen) Co., Ltd*, as the vendor (the "**Vendor**"), Baoli Yota Technologies (Shenzhen) Limited* (寶力優特科技（深圳）有限公司) (the "**Target Company**") and the Company entered into a framework agreement (the "**Framework Agreement**") in relation to the acquisition of 20% equity interest in the Target Company (the "**Acquisition**"). Pursuant to the Framework Agreement, the Purchaser or the Target Company shall pay in aggregate of RMB80,000,000 to the Vendor in two tranches, and the Company had joint liability for the obligations of the

Target Company and the Purchaser. The Target Company was principally engaged in manufacture and sales of mobile phone and the operations of which were ceased in mid 2019. The Company has recently received an arbitral award (the "**Arbitral Award**") made by the Shenzhen Court of International Arbitration (the "**Court**"), in relation to the claim filed by the Vendor against the other three parties to the Framework Agreement in the Court for breaching the Framework Agreement. Details of the Arbitral Award was set out in the announcement of the Company dated 29 June 2021. The Target Company was ordered to be wound up by the Shenzhen Intermediate People's Court on 21 April 2021. In light of this, the Company is in the course of seeking legal advice with the Group's legal advisor, and will vigorously contest the claim and take necessary legal actions to protect its legal rights and interests.

Save as disclosed above, there is no other material litigation expected to result in a significant adverse effect on the financial position of the Group, either collectively or individually. Management believes that adequate provisions have been made in respect of such litigations.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2021 (2020: Nil).

CORPORATE GOVERNANCE

Good corporate governance has always been recognised as vital to the Group's success and sustainable development. The Company has committed itself to a high standard of corporate governance and has devoted considerable efforts in identifying and formulating corporate governance practices appropriate to the Company's needs.

The Company has put in place corporate governance practices to meet the code provisions (the "**Code Provision(s)**") as set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") (the "**CG Code**"), that are considered to be relevant to the Group, and has complied with all of the Code Provisions for the time being in force throughout the year under review. The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the year ended 31 March 2021, the Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "**Model Code**").

Having made specific enquiry, all Directors have confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions throughout the year under review and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 March 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the consolidated financial statements of the Company for the year ended 31 March 2021 with the Group's management and the Company's external auditor.

PUBLICATION OF FINAL RESULTS AND 2020–21 ANNUAL REPORT

This final results announcement is published on the websites of the Stock Exchange and the Company. The Company's 2020–21 annual report containing all the information required under the Listing Rules will be dispatched to the shareholders of the Company and will be published on the websites of the Stock Exchange and the Company by the end of July 2021.

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

Hong Kong, 30 June 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 Men.

* *For identification purpose only.*