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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)

SUBSCRIPTIONS OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

THE SUBSCRIPTIONS

The First Subscription Agreement

The Board is pleased to announce that on 1 August 2022 (after trading hours), the Company entered into the First Subscription Agreement with the First Subscriber, pursuant to which the Company contemplates to issue and the First Subscriber is desirous of subscribing the First Convertible Bonds in the principal amount of HK\$5,000,000, which may be converted into no more than 16,666,666 Conversion Shares based on the initial Conversion Price of HK\$0.30 upon full conversion.

The Second Subscription Agreement

The Board is pleased to announce that on 1 August 2022 (after trading hours), the Company entered into the Second Subscription Agreement with the Second Subscriber, pursuant to which the Company contemplates to issue and the Second Subscriber is desirous of subscribing the Second Convertible Bonds in the principal amount of HK\$3,000,000, which may be converted into no more than 10,000,000 Conversion Shares based on the initial Conversion Price of HK\$0.30 upon full conversion.

The Third Subscription Agreement

The Board is pleased to announce that on 1 August 2022 (after trading hours), the Company entered into the Third Subscription Agreement with the Third Subscriber, pursuant to which the Company contemplates to issue and the Third Subscriber is desirous of subscribing the Third Convertible Bonds in the principal amount of HK\$2,000,000, which may be converted into no more than 6,666,666 Conversion Shares based on the initial Conversion Price of HK\$0.30 upon full conversion.

The Fourth Subscription Agreement

The Board is pleased to announce that on 1 August 2022 (after trading hours), the Company entered into the Fourth Subscription Agreement with the Fourth Subscriber, pursuant to which the Company contemplates to issue and the Fourth Subscriber is desirous of subscribing the Fourth Convertible Bonds in the principal amount of HK\$2,000,000, which may be converted into no more than 6,666,666 Conversion Shares based on the initial Conversion Price of HK\$0.30 upon full conversion.

In aggregate of the First Convertible Bonds, the Second Convertible Bonds, the Third Convertible Bonds and the Fourth Convertible Bonds, a total of 39,999,998 Conversion Shares will be allotted and issued by the Company upon full conversion of the Convertible Bonds at the initial Conversion Price of HK\$0.30 per Conversion Share, representing (i) approximately 6.61% of the existing total number of Shares in issue as at the date of this announcement; and (ii) approximately 6.20% of the total number of Shares in issue as enlarged by the allotment and issue of 39,999,998 Conversion Shares (assuming there is no other change in the total number of Shares in issue from the date of this announcement and up to the date of full conversion of the Convertible Bonds). The Conversion Shares will be allotted and issued under the General Mandate.

The First Subscription Agreement, the Second Subscription Agreement, the Third Subscription Agreement and the Fourth Subscription Agreement are not inter-conditional upon each other.

The gross proceeds from the Subscriptions will be HK\$12,000,000, while the net proceeds from the Subscriptions are estimated to be approximately HK\$11,500,000 (after deducting the professional fees and other related costs and expenses incurred in the Subscriptions). The net issue price for each Conversion Share is approximately HK\$0.288.

The Group intends to use the net proceeds from the Subscriptions for general working capital of the Group, including (i) approximately HK\$3.5 million for the multi-media technologies and convergence media business; (ii) approximately HK\$6 million for initiating and preparation of pilot machinery of the gamma ray dry grinding and dry beneficiation business; and (iii) approximately HK\$2 million for the overhead expenses of the Group.

GENERAL

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

As the completion of the Subscriptions are subject to the fulfilment of the conditions precedent as set out in the respective Subscription Agreements, the Subscriptions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTIONS

(A) The First Subscription Agreement

The Board is pleased to announce that on 1 August 2022 (after trading hours), the Company entered into the First Subscription Agreement with the First Subscriber, pursuant to which the Company contemplates to issue and the First Subscriber is desirous of subscribing the First Convertible Bonds in the principal amount of HK\$5,000,000, which may be converted into no more than 16,666,666 Conversion Shares based on the initial Conversion Price of HK\$0.30 upon full conversion.

Date

1 August 2022 (after trading hours)

Parties

Issuer: the Company

Subscriber: The First Subscriber

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the First Subscriber is a third party independent of and not connected with the Company and its connected persons.

Number of First Conversion Shares

Upon full conversion of the First Convertible Bonds at the initial Conversion Price of HK\$0.30 per Conversion Share (subject to adjustments), a maximum of 16,666,666 Conversion Shares will be allotted and issued by the Company, representing (i) approximately 2.76% of the existing total number of Shares in issue as at the date of this announcement; and (ii) approximately 2.68% of the total number of Shares in issue as enlarged by the allotment and issue of the First Conversion Shares (assuming there is no other change in the total number of Shares in issue from the date of this announcement and up to the date of full conversion of the First Convertible Bonds).

Conditions precedent of the First Subscription Agreement

The completion of the First Subscription shall be subject to the following conditions precedent:

- (a) (if required) all necessary consent, approval and authorisations (if any) by regulators pursuant to the Listing Rules and any other rules and regulations which may be applicable to the First Subscription having been obtained by the Company (collectively, the “**First Necessary Approvals**”), and such First Necessary Approvals shall be valid and effective up to the juncture immediately prior to the completion of the First Subscription, and shall not be threatened with any withdrawal, revocation or cancellation at all times prior to the completion of the First Subscription;
- (b) the Stock Exchange having approved the listing of and dealings in the First Conversion Shares;
- (c) the First Subscriber having conducted due diligence investigations on legal, financial, commercial, corporate structure, regulatory compliance and such other respects of the Company as the First Subscriber deems fit and appropriate, and the First Subscriber is reasonably satisfied on the outcome of such due diligence investigations;
- (d) all representations and warranties of the Company as specified in the First Subscription Agreement remaining true, correct, valid, binding and effective up to the completion of the First Subscription; and
- (e) all representations and warranties of the First Subscriber as specified in the First Subscription Agreement remaining true, correct, valid, binding and effective up to the completion of the First Subscription.

Save and except that such conditions precedent (c) and (d) above which may be waived by the First Subscriber unilaterally at any time prior to the Long Stop Date by notice in writing to the Company and that such condition precedent (e) above which may be waived by the Company unilaterally at any time prior to the Long Stop Date by notice in writing to the First Subscriber, no other conditions precedent can be waived by the Company or the First Subscriber, and (i) the Company shall use its best endeavours to ensure such conditions precedent (a), (b) and (d) above (unless such condition precedent (d) above have been or will be waived by the First Subscriber pursuant to the foregoing provisions of this paragraph) shall be fulfilled and satisfied as soon as possible after the execution of the First Subscription Agreement, and in any event, no later than the Long Stop Date, and (ii) the First Subscriber shall use her best endeavours to ensure that the conditions precedent (c) and (e) above (unless such condition precedent (e) above have been or will be waived by the Company pursuant to the foregoing provisions of this paragraph) shall be fulfilled and satisfied as soon as possible after the execution of the First Subscription Agreement, and in any event, no later than the Long Stop Date.

Save as otherwise stated, if any condition precedent set out above (save and except such conditions precedent having been waived pursuant to the above paragraph) shall not have been fulfilled by 5:00 p.m. on the Long Stop Date, the First Subscription Agreement shall, unless the Company and the First Subscriber agree in writing to postpone the Long Stop Date to another date (being a Business Day), automatically terminate and cease to be of any effect except for certain provisions as set out in the First Subscription Agreement which shall remain in force, and none of the Company and the First Subscriber shall have any claim of any nature or liabilities thereunder whatsoever against the other party save for any antecedent breaches of any term therein.

Consideration of the First Subscription

The consideration of the First Subscription of HK\$5,000,000 shall be settled and discharged by the First Subscriber in cash by cashier order or banker's draft, which may be settled by the First Subscriber by instalments or in tranches provided that the entire amount of the consideration of the First Subscription shall be settled and discharged by the First Subscriber before the completion of the First Subscription.

Completion of the First Subscription

Subject to the fulfilment or waiver (if applicable) of all the conditions precedent as set out in the First Subscription Agreement, the completion of the First Subscription shall take place on the First Completion Date when the Company or the First Subscriber shall perform its/her respective obligations as set out in the First Subscription Agreement.

(B) The Second Subscription Agreement

The Board is pleased to announce that on 1 August 2022 (after trading hours), the Company entered into the Second Subscription Agreement with the Second Subscriber, pursuant to which the Company contemplates to issue and the Second Subscriber is desirous of subscribing the Second Convertible Bonds in the principal amount of HK\$3,000,000, which may be converted into no more than 10,000,000 Conversion Shares based on the initial Conversion Price of HK\$0.30 upon full conversion.

Date

1 August 2022 (after trading hours)

Parties

Issuer: the Company

Subscriber: the Second Subscriber

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Second Subscriber is a third party independent of and not connected with the Company and its connected persons.

Number of Second Conversion Shares

Upon full conversion of the Second Convertible Bonds at the initial Conversion Price of HK\$0.30 per Conversion Share (subject to adjustments), a maximum of 10,000,000 Conversion Shares will be allotted and issued by the Company, representing (i) approximately 1.65% of the existing total number of Shares in issue as at the date of this announcement; and (ii) approximately 1.63% of the total number of Shares in issue as enlarged by the allotment and issue of the Second Conversion Shares (assuming there is no other change in the total number of Shares in issue from the date of this announcement and up to the date of full conversion of the Second Convertible Bonds).

Conditions precedent of the Second Subscription Agreement

The completion of the Second Subscription shall be subject to the following conditions precedent:

- (a) (if required) all necessary consent, approval and authorisations (if any) by regulators pursuant to the Listing Rules and any other rules and regulations which may be applicable to the Second Subscription having been obtained by the Company (collectively, the “**Second Necessary Approvals**”), and such Second Necessary Approvals shall be valid and effective up to the juncture immediately prior to the completion of the Second Subscription, and shall not be threatened with any withdrawal, revocation or cancellation at all times prior to the completion of the Second Subscription;
- (b) the Stock Exchange having approved the listing of and dealings in the Second Conversion Shares;
- (c) the Second Subscriber having conducted due diligence investigations on legal, financial, commercial, corporate structure, regulatory compliance and such other respects of the Company as the Second Subscriber deems fit and appropriate, and the Second Subscriber is reasonably satisfied on the outcome of such due diligence investigations;
- (d) all representations and warranties of the Company as specified in the Second Subscription Agreement remaining true, correct, valid, binding and effective up to the completion of the Second Subscription; and
- (e) all representations and warranties of the Second Subscriber as specified in the Second Subscription Agreement remaining true, correct, valid, binding and effective up to the completion of the Second Subscription.

Save and except that such conditions precedent (c) and (d) above which may be waived by the Second Subscriber unilaterally at any time prior to the Long Stop Date by notice in writing to the Company and that such condition precedent (e) above which may be waived by the Company unilaterally at any time prior to the Long Stop Date by notice in writing to the Second Subscriber, no other conditions precedent can be waived by the Company or the Second Subscriber, and (i) the Company shall use its best endeavours to ensure such conditions precedent (a), (b) and (d) above (unless such condition precedent (d) above have been or will be waived by the Second Subscriber pursuant to the foregoing provisions of this paragraph) shall be fulfilled and satisfied as soon as possible after the execution of the Second Subscription Agreement, and in any event, no later than the Long Stop Date, and (ii) the Second Subscriber shall use her best endeavours to ensure that the conditions precedent (c) and (e) above (unless such condition precedent (e) above have been or will be waived by the Company pursuant to the foregoing provisions

of this paragraph) shall be fulfilled and satisfied as soon as possible after the execution of the Second Subscription Agreement, and in any event, no later than the Long Stop Date.

Save as otherwise stated, if any condition precedent set out above (save and except such conditions precedent having been waived pursuant to the above paragraph) shall not have been fulfilled by 5:00 p.m. on the Long Stop Date, the Second Subscription Agreement shall, unless the Company and the Second Subscriber agree in writing to postpone the Long Stop Date to another date (being a Business Day), automatically terminate and cease to be of any effect except for certain provisions as set out in the Second Subscription Agreement which shall remain in force, and none of the Company and the Second Subscriber shall have any claim of any nature or liabilities thereunder whatsoever against the other party save for any antecedent breaches of any term therein.

Consideration of the Second Subscription

The consideration of the Second Subscription of HK\$3,000,000 shall be settled and discharged by the Second Subscriber in cash by cashier order or banker's draft, which may be settled by the Second Subscriber by instalments or in tranches provided that the entire amount of the consideration of the Second Subscription shall be settled and discharged by the Second Subscriber before the completion of the Second Subscription.

Completion of the Second Subscription

Subject to the fulfilment or waiver (if applicable) of all the conditions precedent as set out in the Second Subscription Agreement, the completion of the Second Subscription shall take place on the Second Completion Date when the Company or the Second Subscriber shall perform its/her respective obligations as set out in the Second Subscription Agreement.

(C) The Third Subscription Agreement

The Board is pleased to announce that on 1 August 2022 (after trading hours), the Company entered into the Third Subscription Agreement with the Third Subscriber, pursuant to which the Company contemplates to issue and the Third Subscriber is desirous of subscribing the Third Convertible Bonds in the principal amount of HK\$2,000,000, which may be converted into no more than 6,666,666 Conversion Shares based on the initial Conversion Price of HK\$0.30 upon full conversion.

Date

1 August 2022 (after trading hours)

Parties

Issuer: the Company

Subscriber: the Third Subscriber

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Third Subscriber and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons.

Number of Third Conversion Shares

Upon full conversion of the Third Convertible Bonds at the initial Conversion Price of HK\$0.30 per Conversion Share (subject to adjustments), a maximum of 6,666,666 Conversion Shares will be allotted and issued by the Company, representing (i) approximately 1.10% of the existing total number of Shares in issue as at the date of this announcement; and (ii) approximately 1.09% of the total number of Shares in issue as enlarged by the allotment and issue of the Third Conversion Shares (assuming there is no other change in the total number of Shares in issue from the date of this announcement and up to the date of full conversion of the Third Convertible Bonds).

Conditions precedent of the Third Subscription Agreement

The completion of the Third Subscription shall be subject to the following conditions precedent:

- (a) (if required) all necessary consent, approval and authorisations (if any) by regulators pursuant to the Listing Rules and any other rules and regulations which may be applicable to the Third Subscription having been obtained by the Company (collectively, the "**Third Necessary Approvals**"), and such Third Necessary Approvals shall be valid and effective up to the juncture immediately prior to the completion of the Third Subscription, and shall not be threatened with any withdrawal, revocation or cancellation at all times prior to the completion of the Third Subscription;
- (b) the Stock Exchange having approved the listing of and dealings in the Third Conversion Shares;
- (c) the Third Subscriber having conducted due diligence investigations on legal, financial, commercial, corporate structure, regulatory compliance and such other respects of the Company as the Third Subscriber deems fit and appropriate, and the Third Subscriber is reasonably satisfied on the outcome of such due diligence investigations;

- (d) all representations and warranties of the Company as specified in the Third Subscription Agreement remaining true, correct, valid, binding and effective up to the completion of the Third Subscription; and
- (e) all representations and warranties of the Third Subscriber as specified in the Third Subscription Agreement remaining true, correct, valid, binding and effective up to the completion of the Third Subscription.

Save and except that such conditions precedent (c) and (d) above which may be waived by the Third Subscriber unilaterally at any time prior to the Long Stop Date by notice in writing to the Company and that such condition precedent (e) above which may be waived by the Company unilaterally at any time prior to the Long Stop Date by notice in writing to the Third Subscriber, no other conditions precedent can be waived by the Company or the Third Subscriber, and (i) the Company shall use its best endeavours to ensure such conditions precedent (a), (b) and (d) above (unless such condition precedent (d) above have been or will be waived by the Third Subscriber pursuant to the foregoing provisions of this paragraph) shall be fulfilled and satisfied as soon as possible after the execution of the Third Subscription Agreement, and in any event, no later than the Long Stop Date, and (ii) the Third Subscriber shall use its best endeavours to ensure that the conditions precedent (c) and (e) above (unless such condition precedent (e) above have been or will be waived by the Company pursuant to the foregoing provisions of this paragraph) shall be fulfilled and satisfied as soon as possible after the execution of the Third Subscription Agreement, and in any event, no later than the Long Stop Date.

Save as otherwise stated, if any condition precedent set out above (save and except such conditions precedent having been waived pursuant to the above paragraph) shall not have been fulfilled by 5:00 p.m. on the Long Stop Date, the Third Subscription Agreement shall, unless the Company and the Third Subscriber agree in writing to postpone the Long Stop Date to another date (being a Business Day), automatically terminate and cease to be of any effect except for certain provisions as set out in the Third Subscription Agreement which shall remain in force, and none of the Company and the Third Subscriber shall have any claim of any nature or liabilities thereunder whatsoever against the other party save for any antecedent breaches of any term therein.

Consideration of the Third Subscription

The consideration of the Third Subscription of HK\$2,000,000 shall be settled and discharged by the Third Subscriber in cash by cashier order or banker's draft, which may be settled by the Third Subscriber by instalments or in tranches provided that the entire amount of the consideration of the Third Subscription shall be settled and discharged by the Third Subscriber before the completion of the Third Subscription.

Completion of the Third Subscription

Subject to the fulfilment or waiver (if applicable) of all the conditions precedent as set out in the Third Subscription Agreement, the completion of the Third Subscription shall take place on the Third Completion Date when the Company or the Third Subscriber shall perform its respective obligations as set out in the Third Subscription Agreement.

(D) The Fourth Subscription Agreement

The Board is pleased to announce that on 1 August 2022 (after trading hours), the Company entered into the Fourth Subscription Agreement with the Fourth Subscriber, pursuant to which the Company contemplates to issue and the Fourth Subscriber is desirous of subscribing the Fourth Convertible Bonds in the principal amount of HK\$2,000,000, which may be converted into no more than 6,666,666 Conversion Shares based on the initial Conversion Price of HK\$0.30 upon full conversion.

Date

1 August 2022 (after trading hours)

Parties

Issuer: the Company

Subscriber: the Fourth Subscriber

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Fourth Subscriber is a third party independent of and not connected with the Company and its connected persons.

Number of Fourth Conversion Shares

Upon full conversion of the Fourth Convertible Bonds at the initial Conversion Price of HK\$0.30 per Conversion Share (subject to adjustments), a maximum of 6,666,666 Conversion Shares will be allotted and issued by the Company, representing (i) approximately 1.10% of the existing total number of Shares in issue as at the date of this announcement; and (ii) approximately 1.09% of the total number of Shares in issue as enlarged by the allotment and issue of the Fourth Conversion Shares (assuming there is no other change in the total number of Shares in issue from the date of this announcement and up to the date of full conversion of the Fourth Convertible Bonds).

Conditions precedent of the Fourth Subscription Agreement

The completion of the Fourth Subscription shall be subject to the following conditions precedent:

- (a) (if required) all necessary consent, approval and authorisations (if any) by regulators pursuant to the Listing Rules and any other rules and regulations which may be applicable to the Fourth Subscription having been obtained by the Company (collectively, the “**Fourth Necessary Approvals**”), and such Fourth Necessary Approvals shall be valid and effective up to the juncture immediately prior to the completion of the Fourth Subscription, and shall not be threatened with any withdrawal, revocation or cancellation at all times prior to the completion of the Fourth Subscription;
- (b) the Stock Exchange having approved the listing of and dealings in the Fourth Conversion Shares;
- (c) the Fourth Subscriber having conducted due diligence investigations on legal, financial, commercial, corporate structure, regulatory compliance and such other respects of the Company as the Fourth Subscriber deems fit and appropriate, and the Fourth Subscriber is reasonably satisfied on the outcome of such due diligence investigations;
- (d) all representations and warranties of the Company as specified in the Fourth Subscription Agreement remaining true, correct, valid, binding and effective up to the completion of the Fourth Subscription; and
- (e) all representations and warranties of the Fourth Subscriber as specified in the Fourth Subscription Agreement remaining true, correct, valid, binding and effective up to the completion of the Fourth Subscription.

Save and except that such conditions precedent (c) and (d) above which may be waived by the Fourth Subscriber unilaterally at any time prior to the Long Stop Date by notice in writing to the Company and that such condition precedent (e) above which may be waived by the Company unilaterally at any time prior to the Long Stop Date by notice in writing to the Fourth Subscriber, no other conditions precedent can be waived by the Company or the Fourth Subscriber, and (i) the Company shall use its best endeavours to ensure such conditions precedent (a), (b) and (d) above (unless such condition precedent (d) above have been or will be waived by the Fourth Subscriber pursuant to the foregoing provisions of this paragraph) shall be fulfilled and satisfied as soon as possible after the execution of the Fourth Subscription Agreement, and in any event, no later than the Long Stop Date, and (ii) the Fourth Subscriber shall use his best endeavours to ensure that the conditions precedent (c) and (e) above (unless such condition precedent (e) above have been or will be waived by the Company pursuant to the foregoing provisions

of this paragraph) shall be fulfilled and satisfied as soon as possible after the execution of the Fourth Subscription Agreement, and in any event, no later than the Long Stop Date.

Save as otherwise stated, if any condition precedent set out above (save and except such conditions precedent having been waived pursuant to the above paragraph) shall not have been fulfilled by 5:00 p.m. on the Long Stop Date, the Fourth Subscription Agreement shall, unless the Company and the Fourth Subscriber agree in writing to postpone the Long Stop Date to another date (being a Business Day), automatically terminate and cease to be of any effect except for certain provisions as set out in the Fourth Subscription Agreement which shall remain in force, and none of the Company and the Fourth Subscriber shall have any claim of any nature or liabilities thereunder whatsoever against the other party save for any antecedent breaches of any term therein.

Consideration of the Fourth Subscription

The consideration of the Fourth Subscription of HK\$2,000,000 shall be settled and discharged by the Fourth Subscriber in cash by cashier order or banker's draft, which may be settled by the Fourth Subscriber by instalments or in tranches provided that the entire amount of the consideration of the Fourth Subscription shall be settled and discharged by the Fourth Subscriber before the completion of the Fourth Subscription.

Completion of the Fourth Subscription

Subject to the fulfilment or waiver (if applicable) of all the conditions precedent as set out in the Fourth Subscription Agreement, the completion of the Fourth Subscription shall take place on the Fourth Completion Date when the Company or the Fourth Subscriber shall perform its/his respective obligations as set out in the Fourth Subscription Agreement.

The First Subscription Agreement, the Second Subscription Agreement, the Third Subscription Agreement and the Fourth Subscription Agreement are not inter-conditional upon each other.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The terms of the Convertible Bonds which were determined after arm's length negotiations between the Company and the Subscribers are summarised below:

Issuer:	The Company
Principal amount:	HK\$12,000,000 in aggregate from the First Convertible Bonds, the Second Convertible Bonds, the Third Convertible Bonds and the Fourth Convertible Bonds

Interest: Interest at the coupon rate of 4% per annum shall accrue on the principal amount of the Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate) and calculate from the First Issue Date (the “**Interest**”), and the Interest shall, and shall continue to, accrue on the principal amount of the Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate) until full redemption and/or full conversion thereof.

The Interest shall be paid by the Company once every six (6) months from the First Issue Date, with the last payment of Interest to be made on the Maturity Date (as defined below), the last Conversion Date or the last redemption date (whichever shall be appropriate).

Maturity Date: The date which falls on the third anniversary of the First Issue Date, and in case such a date is not a Business Day, then on the Business Day which immediately follows (the “**Maturity Date**”).

Conversion Price: The initial Conversion Price of HK\$0.30 per Conversion Share represents:

- (i) a premium of 50.00% over the closing price of HK\$0.200 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and
- (ii) a premium of approximately 49.25% over the average closing price of approximately HK\$0.201 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

The initial Conversion Price was arrived at after arm’s length negotiations between the Company and the Subscribers with reference to, among others, the prevailing trading price of the Shares, the prevailing market sentiment and the funding needs of the Group. The Directors consider that the Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Adjustments to the
Conversion Price:

The Conversion Price shall from time to time be subject to adjustment in accordance with this paragraph if, whilst any of the Convertible Bonds remains outstanding, any of the following events or circumstances in relation to the Shares shall occur:

- (i) If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation or subdivision, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such alteration by the following fraction:

$$\frac{A}{B}$$

where

A is the nominal amount of one Share immediately after such alteration; and

B is the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective from the day on which such consolidation or subdivision becomes effective.

- (ii) If and whenever the Company shall pay or make any capital distribution to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such capital distribution (as defined in the CB Instrument) by the following fraction:

$$\frac{A - B}{A}$$

where

A is the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date on which the capital distribution is made; and

B is the fair market value on the date of such capital distribution, as determined in good faith by the independent accountant or financial advisor acting as an expert, of the portion of the capital distribution which is attributable to one Share.

Such adjustment shall become effective on the date that such capital distribution is actually made.

(iii) If and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or shall issue or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than 95% of the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date on which such issue or grant to Shareholders is made, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where

A is the number of Shares in issue immediately before such grant or issue;

B is the number of Shares which the aggregate amount (if any) payable for the rights, or for the options or warrants or other rights issued by way of rights, and for the total number of Shares comprised therein would purchase at such fair market value per Share; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the grant.

Such adjustment shall become effective on the date of the issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be).

(iv) If and whenever the Company shall:

- (a) issue any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class by way of rights; or
- (b) grant to all or substantially all Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue, grant or offer by the following fraction:

$$\frac{A - B}{A}$$

where

- A is the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date on which such issue or grant is made; and
- B is the fair market value on the date of such grant is made as determined in good faith by the independent accountant or financial advisor acting as an expert, of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of the issue of such securities or grant of such rights, options or warrants (as the case may be).

- (v) If and whenever the Company shall wholly for cash: (a) issue (otherwise than as mentioned in sub-paragraph (iii) above) any Shares (other than Shares issued on the exercise of Conversion Rights (as defined below) or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares); or (b) issues or grants (otherwise than as mentioned in sub-paragraph (iii) above) options, warrants or other rights to subscribe for or purchase Shares, in each case at a price per Share which is less than 95% of the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{C}$$

where

- A is the number of Shares in issue immediately before the issue of such additional Shares;
- B is the number of Shares which the aggregate consideration receivable for the issue of such additional Shares would purchase at such fair market value per Share; and
- C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue or grant by the Company of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of the issue of such Shares or, as the case may be, the issue or grant of such options, warrants or other rights.

(vi) Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this subparagraph (vi), if and whenever the Company shall issue wholly for cash any securities (other than the Convertible Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription, at a consideration per Share which is less than 95% of the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date of the issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where

- A is the number of Shares in issue immediately before such issue;
- B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued upon conversion or exchange of or upon exercise of the right of subscription attached to such securities would purchase at such fair market value per Share; and
- C is the maximum number of Shares to be issued upon conversion into or exchange of such securities or upon the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of the issue of such securities.

(vii) If and whenever the Company issues, sells or distributes any securities in connection with an offer pursuant to which Shareholders generally (meaning for these purposes the holders of at least 60% of the Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under sub-paragraphs (iii) to (vi) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{A - B}{A}$$

where

A is the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date of such issue; and

B is the fair market value on the date of such issue, as determined in good faith by the independent accountant or financial advisor, of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of such securities.

Conversion Shares:

In aggregate of the First Convertible Bonds, the Second Convertible Bonds, the Third Convertible Bonds and the Fourth Convertible Bonds, a total of 39,999,998 Conversion Shares will be allotted and issued by the Company upon full conversion of the Convertible Bonds at the initial Conversion Price of HK\$0.30 per Conversion Share, representing:

(i) approximately 6.61% of the existing total number of Shares in issue as at the date of this announcement; and

- (ii) approximately 6.20% of the total number of Shares in issue as enlarged by the allotment and issue of 39,999,998 Conversion Shares (assuming there is no other change in the total number of Shares in issue from the date of this announcement and up to the date of full conversion of the Convertible Bonds).

The aggregate nominal value of 39,999,998 Conversion Shares is HK\$399,999.98.

Conversion period:

The period commencing on the date which falls on 6 months after the First Issue Date and expiring on the earlier of the fifth (5th) Business Day before the Maturity Date or the date (if any) on which the Company has redeemed the entire principal amount of the Convertible Bonds pursuant to the paragraph headed “Redemption prior to Maturity” below, both days inclusive, provided that if the Company fails to redeem the Convertible Bonds on the Maturity Date in accordance with the paragraph headed “Redemption at Maturity” below, the period shall continue until the Company has redeemed the entire principal amount of the Convertible Bonds or the outstanding part thereof (whichever shall be appropriate) (the “**Conversion Period**”).

Conversion rights:

Each Bondholder shall have the right, exercisable during the Conversion Period in the manner provided in the CB Instrument, to convert the whole or any part (subject to the CB Instrument, in multiples of HK\$500,000) of the principal amount of the Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate) held by such Bondholder into such number of Conversion Shares as will be determined by dividing the principal amount of the Convertible Bonds to be converted by the Conversion Price in effect on the Conversion Date (the “**Conversion Rights**”).

Conversion restrictions:

A Bondholder shall not exercise any Conversion Rights if, as a result of such exercise, it will cause the public float of the Company to be unable to meet the relevant requirements under the Listing Rules.

A Bondholder shall not exercise any Conversion Rights, and the Company shall not be required to issue any Conversion Shares, if, as a result of the relevant exercise of the Conversion Rights, the Bondholder and/or parties acting in concert with it would be required to make a mandatory general offer under Rule 26 of the Takeovers Code for the Shares held by the other Shareholders (collectively, the “**Conversion Restrictions**”).

Redemption at maturity:

All Convertible Bonds which have not been redeemed or converted in accordance with the terms and conditions contained in the CB Instrument by the Maturity Date shall be redeemed by the Company on the Maturity Date either in cash by paying such redemption amount which equals to the entire principal amount of the Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate) or further and/or in the alternative, by such other mode or manner or redemption as the Company and the Majority Bondholders may agree in writing prior to the Maturity Date.

Redemption prior to maturity:

Without prejudice to any other conditions contained in the CB Instrument, the Company may at its sole and absolute discretion redeem the principal amount of the Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate) at any time during the period commencing on the Business Day immediately after the First Issue Date and ending on the Maturity Date (both dates inclusive) by paying such redemption amount equivalent to the principal amount of the Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate) to the Bondholder(s).

Redemption on default:

If any of the events (“**Events of Default**”, and each an “**Event of Default**”) specified below occur, the Company shall forthwith give notice thereof to the Bondholders and each Bondholder may (without prejudice to any other rights and remedies available to the Bondholders), at its option, opt to convert their Convertible Bonds in its entirety or, alternatively, serve a notice for redemption on the Company in respect of part or all of the Convertible Bonds held by it, whereupon such Convertible Bonds shall become immediately due and payable at a redemption amount equal to the entire principal amount of such Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate). For avoidance of any doubt and without prejudice to any other conditions contained in the CB Instrument, the Bondholder(s) (or any of them, if appropriate) shall not, and shall not be entitled to, request or demand for any redemption prior to the Maturity Date unless an Event of Default occurs.

Any one (or more) of the following event shall constitute an Event of Default:

- (i) any failure to pay the principal of the Convertible Bonds when due and such failure continues for a period of thirty (30) Business Days;
- (ii) any default made by the Company in the performance or observance of any provision of the CB Instrument or any breach by the Company of any undertaking, warranty or representation given by it under these terms (other than the covenant to pay the principal in respect of the Convertible Bonds) and such default is incapable of remedy (in which event no such notice as is referred to below shall be required), or if capable of remedy is not remedied within thirty (30) Business Days of service by any Bondholder on the Company of notice requiring such default to be remedied;
- (iii) a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved otherwise than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reconstruction the terms of which shall have previously been approved in writing by a resolution of Bondholders;

- (iv) it is or becomes unlawful for the Company to perform or comply with any of its obligations under the CB Instrument or any Convertible Bond, or due to no fault on the part of any Bondholder any such obligation is not or ceases to be enforceable or is claimed by the Company not to be enforceable;
- (v) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (a) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under the Convertible Bonds or the CB Instrument, (b) to ensure that those obligations are legally binding and enforceable, and (c) to make the Convertible Bonds or the CB Instrument admissible in evidence in the courts of Hong Kong, is not taken, fulfilled or done by the requisite time;
- (vi) any material breach of the representations, warranties and undertakings made by the Company to the Bondholder(s) in reliance of which the Bondholder(s) subscribe the Convertible Bonds; or
- (vii) any event occurs which has an analogous effect to any of the events referred to in sub-paragraphs (i) to (vi) of this paragraph above.

Ranking of the Conversion
Shares:

Subject to the CB Instrument, the Conversion Shares issued upon exercise of Conversion Rights shall rank *pari passu* in all respects with all other existing Shares outstanding on the Conversion Date and all Conversion Shares shall include rights to participate in all dividends and other distributions the record date of which falls on or after the Conversion Date.

Transferability:

Subject to compliance with the Listing Rules and regulatory requirements, the Convertible Bonds may (subject to the CB Instrument) be transferred to any person provided that where the Convertible Bond(s) is/are intended to be transferred to a connected person (other than the associates of the Bondholder), such transfer shall comply with the requirements under the Listing Rules and/or requirements imposed by the Stock Exchange, if any.

Any transfer of the Convertible Bonds shall be in respect of the whole or any part (subject to the CB Instrument, in multiples of HK\$500,000) of the principal amount of the Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate).

Status of the Convertible Bonds:

The obligations of the Company arising under the Convertible Bonds constitute general, unsecured and unsubordinated obligations of the Company and rank equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.

GENERAL MANDATE

The Conversion Shares will be allotted and issued under the General Mandate, subject to the limit up to 74,431,224 Shares (representing 20% of the then issued Shares). As at the date of this announcement, the General Mandate has been utilised as to 30,000,000 Shares were issued under the placing on 21 February 2022 and the remaining balance of the General Mandate is 44,431,224 Shares. The General Mandate is sufficient for the allotment and issue of 39,999,998 Conversion Shares. Accordingly, the allotment and issue of the Conversion Shares is not subject to the Shareholders' approval.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activities in the past 12 months immediately prior to 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
21 April 2022	Issue of convertible bonds in the principal amount of HK\$40 million under specific mandate	Nil (<i>Note</i>)	To set off HK\$40 million from the claimed amount on a dollar-for-dollar basis. (<i>Note</i>)	Fully utilised as intended
28 January 2022	Placing of new shares under general mandate	Approximately HK\$10 million	(i) settlement of the outstanding liabilities of the Group in the amount of approximately HK\$3 million (being approximately 30% of net proceeds); and (ii) general working capital of the Group in the amount of approximately HK\$7 million (being approximately 70% of net proceeds).	Fully utilised as intended

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 expansion of its scale of convergence media business; and (b) the payment for daily operating expenses such as rental, salaries, legal and professional expenses). 	Fully utilised as intended

Note: There was no net proceeds from the issue of the convertible bonds as the consideration was used to set off HK\$40 million from the claimed amount on a dollar-for-dollar basis. (For details, please refer to the announcement of the Company dated 21 April 2022 and the circular of the Company dated 7 June 2022.)

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

For illustration purposes only, set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after full conversion of the Convertible Bonds at the initial Conversion Price (assuming there is no other change in the total number of Shares in issue from the date of this announcement and up to the date of full conversion of the Convertible Bonds):

Shareholders	(i) As at the date of this announcement		(ii) immediately after full conversion of the Convertible Bonds at the initial Conversion Price (assuming there is no other change in the total number of Shares in issue from the date of this announcement and up to the date of full conversion of the Convertible Bonds)	
	No. of Shares	Approximate	No. of Shares	Approximate
Directors				
Zhang Yi (Note 1)	21,542,750	3.5614%	21,542,750	3.3404%
Chu Wei Ning (Note 2, 4)	3,000,000	0.4959%	3,000,000	0.4652%
Lam Sze Man (Note 2, 3)	50,000	0.0083%	50,000	0.0078%
Chan Kee Huen, Michael (Note 2)	2,500	0.0004%	2,500	0.0004%
Sub-total	24,595,250	4.0660%	24,595,250	3.8138%
The Subscribers				
First Subscriber	–	–	16,666,666	2.5843%
Second Subscriber	–	–	10,000,000	1.5506%
Third Subscriber	–	–	6,666,666	1.0338%
Fourth Subscriber	–	–	6,666,666	1.0338%
Sub-total	–	–	39,999,998	6.2025%
Public Shareholders	580,305,600	95.9340%	580,305,600	89.9837%
Total	<u>604,900,850</u>	<u>100.00%</u>	<u>644,900,848</u>	<u>100.00%</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. In addition, Mr. Zhang Yi owns 3,721,561 share options which entitle him to subscribe for 3,721,561 Shares.

2. Ms. Lam Sze Man and Ms. Chu Wei Ning are executive Directors, and Mr. Chan Kee Huen, Michael is an independent non-executive Director.
3. In addition to 50,000 Shares, Ms. Lam Sze Man owns 1,860,781 share options which entitle her to subscribe for 1,860,781 Shares.
4. In addition to 3,000,000 Shares, Ms. Chu Wei Ning owns 3,721,561 share options which entitle her to subscribe for 3,721,561 Shares.

INFORMATION ON THE SUBSCRIBERS

The First Subscriber

The First Subscriber is an investor from the PRC and is an executive of a management consulting company in Sichuan, PRC.

The Second Subscriber

The Second Subscriber is a merchant from Hong Kong and is principally engaged in auto service and construction materials businesses in Xinjiang, PRC.

The Third Subscriber

The Third Subscriber is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of this announcement, the Third Subscriber is wholly-owned by Mr. Lo Siu Kit (“**Mr. Lo**”), who is a merchant from Hong Kong. Mr. Lo is a member of the National Committee of the Chinese People’s Political Consultative Conference and is a Justice of the Peace in Hong Kong. He is also the chairman of the board of directors of several investment companies in Hong Kong.

The Fourth Subscriber

The Fourth Subscriber is an investor from the PRC and is principally engaged in the agricultural technology industry.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS AND USE OF PROCEEDS

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

As disclosed in the annual results of the Company for the year ended 31 March 2022 dated 30 June 2022, the Company recorded a net liabilities of approximately HK\$363,907,000. As at 31 March 2022, the Company's total borrowings amounted to approximately HK\$221,137,000 while its cash and cash equivalents amounted to approximately HK\$28,493,000 only. Therefore, the Company is actively seeking various fund raising opportunities to improve its financial position and cash flow level.

The Directors are of the view that (i) the terms of the Subscription Agreements were determined after arm's length negotiations between the Company and the Subscribers and are on normal commercial terms; (ii) the Conversion Price is premium over the recent market price of the Shares; (iii) the Subscriptions represent a good opportunity for the Company to raise additional funds as well as to broaden the capital and shareholder base of the Company if the Subscribers choose to exercise the Conversion Rights attaching to the Convertible Bonds; (iv) the Convertible Bonds will not have an immediate dilution effect on the shareholding of the existing Shareholders; and (v) the net proceeds from the Subscriptions will improve the financial position as well as the cash flow level of the Group. Accordingly, the Directors consider the terms of the Subscription Agreements (including but not limited to the Conversion Price) are fair and reasonable and the Subscriptions are in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Subscriptions will be HK\$12,000,000, while the net proceeds from the Subscriptions are estimated to be approximately HK\$11,500,000 (after deducting the professional fees and other related costs and expenses incurred in the Subscriptions). The net issue price for each Conversion Share is approximately HK\$0.288.

The Group intends to use the net proceeds from the Subscriptions for general working capital of the Group, including (i) approximately HK\$3.5 million for the multi-media technologies and convergence media business; (ii) approximately HK\$6 million for initiating and preparation of pilot machinery of the gamma ray dry grinding and dry beneficiation business; and (iii) approximately HK\$2 million for the overhead expenses of the Group.

GENERAL

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

As the completion of the Subscriptions are subject to the fulfilment of the conditions precedent as set out in the respective Subscription Agreements, the Subscriptions 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, the following terms shall have the following meanings:

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bondholder(s)”	the holder(s) of the Convertible Bonds or any outstanding principal amount thereof for the time being
“Business Day”	any day (excluding Saturday, Sunday or public holiday) on which no tropical cyclone warning No. 8 or above is hoisted, no “black rainstorm warning signal” is issued and no “extreme conditions” is announced in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. and on which licensed banks in Hong Kong are open for general banking business
“CB Instrument”	the instrument to be executed by the Company in the form of a deed under and pursuant to which the Convertible Bonds are to be constituted and issued
“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 (stock code: 164)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Date”	the date on which the Company receives or is deemed to have received a duly completed and executed conversion notice together with the bond certificate(s) for the Convertible Bond(s) being converted by a Bondholder
“Conversion Price”	the initial conversion price of HK\$0.30 per each Conversion Share, and the conversion price may be subject to such adjustment(s) as set out in the paragraph headed “Adjustments to the Conversion Price” above, but in any event, such conversion price shall not be lower than the par value of each Share
“Conversion Share(s)”	the new Share(s) to be allotted and issued by the Company upon exercising of the Conversion Rights by the Subscribers and/or any other Bondholder(s) in accordance with the CB Instrument

“Convertible Bonds”	collectively, the First Convertible Bonds, the Second Convertible Bonds, the Third Convertible Bonds and the Fourth Convertible Bonds
“Director(s)”	the director(s) of the Company
“First Completion Date”	any Business Day within a period of five Business Days after the fulfilment and/or satisfaction (or waiver, as appropriate) of the conditions precedent set out in the First Subscription Agreement
“First Conversion Shares”	a maximum of 16,666,666 Conversion Shares to be allotted and issued pursuant to the First Subscription
“First Convertible Bonds”	the convertible bonds in the principal amount of HK\$5,000,000 at 4% coupon rate with 3-year maturity convertible into no more than the First Conversion Shares at the Conversion Price of HK\$0.30 per each Conversion Share in accordance with the CB Instrument
“First Issue Date”	being the initial date of issue of the Convertible Bonds (or any principal amount thereof, as the case may be) under and pursuant to the terms and conditions contained in the CB Instrument
“First Subscriber”	Ms. Lei Yu Fei* (雷雨霏)
“First Subscription”	the subscription of the First Convertible Bonds pursuant to the First Subscription Agreement
“First Subscription Agreement”	the conditional subscription agreement entered into between the Company and the First Subscriber dated 1 August 2022 in relation to the First Subscription
“Fourth Completion Date”	any Business Day within a period of five Business Days after the fulfilment and/or satisfaction (or waiver, as appropriate) of the conditions precedent set out in the Fourth Subscription Agreement
“Fourth Conversion Shares”	a maximum of 6,666,666 Conversion Shares to be allotted and issued pursuant to the Fourth Subscription

“Fourth Convertible Bonds”	the convertible bonds in the principal amount of HK\$2,000,000 at 4% coupon rate with 3-year maturity convertible into no more than the Fourth Conversion Shares at the Conversion Price of HK\$0.30 per each Conversion Share in accordance with the CB Instrument
“Fourth Subscriber”	Mr. Ye Xin Lin* (葉新林)
“Fourth Subscription”	the subscription of the Fourth Convertible Bonds pursuant to the Fourth Subscription Agreement
“Fourth Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Fourth Subscriber dated 1 August 2022 in relation to the Fourth Subscription
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 30 September 2021 to allot, issue and deal with not more than 74,431,224 new Shares prior to the next annual general meeting of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	22 August 2022
“Majority Bondholder(s)”	Bondholder(s) of the Convertible Bonds outstanding which represent in aggregate not less than 50% in principal amount of the Convertible Bonds outstanding
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Second Completion Date”	any Business Day within a period of five Business Days after the fulfilment and/or satisfaction (or waiver, as appropriate) of the conditions precedent set out in the Second Subscription Agreement

“Second Conversion Shares”	a maximum of 10,000,000 Conversion Shares to be allotted and issued pursuant to the Second Subscription
“Second Convertible Bonds”	the convertible bonds in the principal amount of HK\$3,000,000 at 4% coupon rate with 3-year maturity convertible into no more than the Second Conversion Shares at the Conversion Price of HK\$0.30 per each Conversion Share in accordance with the CB Instrument
“Second Subscriber”	Ms. Geng Juan* (耿娟)
“Second Subscription ”	the subscription of the Second Convertible Bonds pursuant to the Second Subscription Agreement
“Second Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Second Subscriber dated 1 August 2022 in relation to the Second Subscription
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Subscribers”	collectively, the First Subscriber, the Second Subscriber, the Third Subscriber and the Fourth Subscriber
“Subscription Agreements”	collectively, the First Subscription Agreement, the Second Subscription Agreement, the Third Subscription Agreement and the Fourth Subscription Agreement
“Subscriptions”	collectively, the First Subscription, the Second Subscription, the Third Subscription and the Fourth Subscription
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission of Hong Kong
“Third Completion Date”	any Business Day within a period of five Business Days after the fulfilment and/or satisfaction (or waiver, as appropriate) of the conditions precedent set out in the Third Subscription Agreement
“Third Conversion Shares”	a maximum of 6,666,666 Conversion Shares to be allotted and issued pursuant to the Third Subscription

“Third Convertible Bonds”	the convertible bonds in the principal amount of HK\$2,000,000 at 4% coupon rate with 3-year maturity convertible into no more than the Third Conversion Shares at the Conversion Price of HK\$0.30 per each Conversion Share in accordance with the CB Instrument
“Third Subscriber”	Better Choice Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Third Subscription”	the subscription of the Third Convertible Bonds pursuant to the Third Subscription Agreement
“Third Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Third Subscriber dated 1 August 2022 in relation to the Third Subscription
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
China Baoli Technologies Holdings Limited
Chu Wei Ning
Executive Director and Chief Executive Officer

Hong Kong, 1 August 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.

* *For identification purpose only*