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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)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**Leeds Securities Investment Limited**

#### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

The Board is pleased to announce that on 7 May 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, of up to 16,803,334 Placing Shares to not less than six (6) Placees who and whose ultimate beneficial owners shall be Independent Third Parties at a price of HK\$1.030 per Placing Share.

The Placing Price of HK\$1.030 per Placing Share represents (i) a discount of approximately 16.94% to the closing price of HK\$1.240 per Share as quoted on the Stock Exchange on 7 May 2024, being the date of the Placing Agreement; and (ii) a discount of approximately 19.50% to the average of the closing prices per Share of HK\$1.280 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The maximum number of the Placing Shares represents (i) approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Shares will be allotted and issued under the General Mandate. The allotment and issue of the Placing Shares is not subject to the approval of the Shareholders.

Assuming all the Placing Shares are successfully placed by the Placing Agent, the gross proceeds from the Placing will be approximately HK\$17 million and the net proceeds will be approximately HK\$16 million (after deduction of commission and other expenses of the Placing). The Directors intend to use all of the net proceeds for (i) settlement of the outstanding liabilities of the Group in the amount of approximately HK\$11.2 million (being approximately 70% of the net proceeds); (ii) development of the business of the Group in the amount of approximately HK\$3.2 million (being approximately 20% of the net proceeds); and (iii) general working capital of the Group in the amount of approximately HK\$1.6 million (being approximately 10% of the net proceeds).

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

## THE PLACING AGREEMENT

The principal terms of the Placing Agreement are summarised below:

Date: 7 May 2024

Parties: Issuer: The Company

Placing Agent: Leeds Securities Investment Limited

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

The Placing Agent will charge the Company a placing commission of 3% of the gross proceeds from the Placing. The Placing commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to the prevailing market rates. The Directors consider that the terms of the Placing Agreement, including the Placing commission, are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

## **Placees**

The Placing Shares are expected to be placed to not less than six (6) Placees, who and whose ultimate beneficial owners, shall be Independent Third Parties.

## **Number of Placing Shares**

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Placing Shares of up to 16,803,334 Shares under the Placing represents (i) approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

## **Placing Price**

The Placing Price of HK\$1.030 per Placing Share represents:

- (i) a discount of approximately 16.94% to the closing price of HK\$1.240 per Share as quoted on the Stock Exchange on 7 May 2024, being the date of the Placing Agreement; and
- (ii) a discount of approximately 19.50% to the average of the closing prices per Share of HK\$1.280 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

## **Ranking of Placing Shares**

The Placing Shares shall rank pari passu in all respects among themselves and with the existing Shares in issue as at the date of this announcement.

## **Conditions of the Placing**

Completion of the Placing is conditional upon the satisfaction of the following conditions by not later than 21 days (or such later date as may be agreed between the Placing Agent and the Company in writing) after the date of the Placing Agreement:

- (i) there shall not have occurred any breach or any event render untrue or inaccurate, any of the representations, warranties or undertakings under the Placing Agreement in all material respects;

- (ii) listing of and permission to deal in all the Placing Shares being granted (subject only to allotment) by the Listing Committee of the Stock Exchange in principle and dealings of the Placing Shares being allowed by the Stock Exchange (and such listing and permission not subsequently being revoked);
- (iii) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Placing void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Placing (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company to proceed with the Placing); and
- (iv) the Placing Agreement not being rescinded by the Placing Agent pursuant to the terms and conditions of the Placing Agreement.

### **Completion of the Placing**

Completion of the Placing shall take place within four (4) Business Days after the day on which the conditions as set out in the paragraph headed “Conditions of the Placing” above are fulfilled (or another time or date as the Company and the Placing Agent shall agree in writing).

### **Application for listing**

The Company will make an application to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

### **General Mandate**

No shareholders’ approval is required for the Placing and the Placing Shares will be allotted and issued by the Company pursuant to the General Mandate. At the AGM, the Shareholders have granted to the Directors, among other things, the General Mandate to issue up to 16,803,334 shares of HK\$0.01 each, representing 20% of the issued share capital of the Company as at the date of the passing of the resolution of 84,016,673 shares of HK\$0.01 each. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is therefore sufficient for the allotment and issue of all the Placing Shares. The General Mandate will be fully utilised upon the allotment and issue of all the Placing Shares.

### **Termination and rescission of the Placing Agreement**

Under the Placing Agreement, if the conditions as set out in the paragraph headed “Conditions of the Placing” above are not fulfilled on or before the Completion Date, the obligations and liabilities of the Company under the Placing shall be null and void and the Company shall be released from all rights and obligations pursuant to the Placing (save for (i) the Company’s payment of all costs and expenses already incurred or to be incurred in consequence of such termination; and (ii) any antecedent breaches thereof).

Furthermore, the Placing Agent may rescind the Placing Agreement without liability to the Company by notice in writing given to the Company, if at any time prior to the Completion Date:

- (i) there has come to the notice of the Placing Agent:
  - a. that any statement contained in this announcement is, when this announcement is issued, or has become, untrue, incorrect or misleading in any material respect; or
  - b. any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this announcement, constitute a material omission; or
  - c. any material breach of the undertakings, warranties and representations set out in the Placing Agreement; or
  - d. any material breach of any of the obligations imposed upon any party to the Placing Agreement (other than the Placing Agent); or
  - e. any of the undertakings, warranties and representations set out in the Placing Agreement would be untrue or inaccurate or misleading in any material respect if given at that time; or
  - f. any adverse change in the business or in the financial or trading position or prospects of any member of the Group taken as a whole which is material in the context of the Placing; or
- (ii) there develops, occurs, or comes into effect:
  - a. any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the sole and absolute opinion of the Placing Agent would prejudice the success of the Placing; or
  - b. the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which, in the sole and absolute opinion of the Placing Agent, would prejudice the success of the Placing; or

- c. any change in conditions of local, national or international securities markets occurs which in the sole and absolute opinion of the Placing Agent would prejudice the success of the Placing; or
- d. any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong and if in the sole and absolute opinion of the Placing Agent any such new law or change would materially and adversely affect the business or financial prospects of the Group and/or prejudice the success of the Placing; or
- e. a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong which would, in the sole and absolute opinion of the Placing Agent, prejudice the success of the Placing; or
- f. any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group and which in the sole and absolute opinion of the Placing Agent would materially prejudice the success of the Placing.

If notice is given pursuant to the paragraph above, the Placing Agreement shall cease to have effect, and none of the parties shall have any rights or claims by reason thereof.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

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

#### **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Company is an investment holding company. The Group is principally engaged in multi-media technologies and convergence media business, iron ore dry grinding and dry beneficiation business, and other operations – investment, securities trading and tourism and hospitality business.

Assuming the maximum number of the Placing Shares is placed under the Placing Agreement, the gross proceeds from the Placing will be approximately HK\$17 million, and the net proceeds will be approximately HK\$16 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$0.952 per Placing Share.

The Directors intend to use all of the net proceeds for (i) settlement of the outstanding liabilities of the Group in the amount of approximately HK\$11.2 million (being approximately 70% of the net proceeds); (ii) development of the business of the Group in the amount of approximately HK\$3.2 million (being approximately 20% of the net proceeds); and (iii) general working capital of the Group in the amount of approximately HK\$1.6 million (being approximately 10% of the net proceeds).

The Directors consider that the Placing represents an opportunity to strengthen the Group's financial position and raise additional funding for the business operations of the Group as explained above without any interest burden, within a relatively shorter time frame and at lower costs when compared with other means of fundraising, as well as to enlarge shareholders' base of the Company which may in turn enhance the liquidity of the Shares.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

#### **FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company had carried out the following equity fund raising activities in the 12 months immediately preceding the date of this announcement.

<b>Date of announcements/ circular</b>	<b>Fund-raising activity</b>	<b>Net proceeds raised</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
29 March 2023, 22 May 2023 and 30 June 2023	Issue of convertible bonds in the principal amount of RMB20,000,000 under specific mandate	Approximately RMB19,300,000	(i) approximately RMB10,000,000 (equivalent to approximately HK\$11,627,906.98) for the development of the Group's business; and  (ii) approximately RMB9,300,000 (equivalent to approximately HK\$10,813,953.49) for overhead and general expenses of the Group.	Fully utilised as intended

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



## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon completion of the Placing (assuming that all of the 16,803,334 Placing Shares will be placed in full and there is no other change in the total number of issued Shares between the date of this announcement and the completion of the Placing); and (iii) immediately upon completion of the Placing and full conversion of all outstanding convertible bonds of the Company are set out below:

Shareholders	(i) As at the date of this announcement		(ii) Immediately upon completion of the Placing (assuming there is no other change in the total number of issued Shares between the date of this announcement and the completion of the Placing)		(iii) Immediately upon completion of the Placing and full conversion of all other outstanding convertible bonds of the Company	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
<b>Directors</b>						
Mr. Wang Bin (Note 1, 5)	–	–	–	–	10,335,917	8.9756%
Mr. Zhang Yi (Note 2, 5)	2,154,275	2.5641%	2,154,275	2.1368%	2,154,275	1.8707%
Ms. Chu Wei Ning (Notes 3, 5)	300,000	0.3571%	300,000	0.2976%	300,000	0.2605%
Ms. Lam Sze Man (Notes 4, 5)	5,000	0.0060%	5,000	0.0050%	5,000	0.0043%
Mr. Chan Kee Huen, Michael (Note 5)	250	0.0003%	250	0.0002%	250	0.0002%
The Placees	–	–	16,803,334	16.6667%	16,803,334	14.5918%
GM CB Holders	–	–	–	–	3,999,998	3.4735%
<b>Public Shareholders</b>	<u>81,557,148</u>	<u>97.0726%</u>	<u>81,557,148</u>	<u>80.8938%</u>	<u>81,557,148</u>	<u>70.8232%</u>
<b>Total</b>	<u>84,016,673</u>	<u>100.0000%</u>	<u>100,820,007</u>	<u>100.0000%</u>	<u>115,155,922</u>	<u>100.0000%</u>

### Notes:

- Hong Fu (HF) Holdings Group Limited is the bondholder of the convertible bonds in the principal amount of RMB20,000,000 (approximately HK\$23,255,813.96), which may be converted into no more than 10,335,917 Shares based on the conversion price of HK\$2.25 upon full conversion. Hong Fu (HF) Holdings Group Limited is ultimately owned by Mr. Wang Bin as to 85.05%. Mr. Wang Bin was appointed as an executive Director on 7 July 2023.
- 800 Shares are beneficially owned by Mr. Zhang Yi, an executive Director, and 2,153,475 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 372,156 share options which entitles him to subscribe for 372,156 Shares.
- In addition to 300,000 Shares, Ms. Chu Wei Ning owns 372,156 share options which entitles her to subscribe for 372,156 Shares.
- In addition to 5,000 Shares, Ms. Lam Sze Man owns 186,078 share options which entitles her to subscribe for 186,078 Shares.
- Mr. Wang Bin, Mr. Zhang Yi, Ms. Chu Wei Ning and Ms. Lam Sze Man are executive Directors, and Mr. Chan Kee Huen, Michael is an independent non-executive Director.
- Certain percentage figures included in the table above have been subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding them.



## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“AGM”	the annual general meeting of the Company held on 13 September 2023
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	China Baoli Technologies Holdings Limited, a company incorporated in Bermuda as an exempted Company with limited liability and the issued Shares of which are listed on the Stock Exchange (stock code: 164)
“Completion Date”	within four (4) Business Days after the day on which the conditions set out in the Placing Agreement have been fulfilled (or another time or date as the Company and the Placing Agent shall agree in writing) on which completion of the Placing shall take place
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any persons or company(ies) and their respective ultimate beneficial owners, to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Placee(s)”	professional, institutional and other investor(s) selected and procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 16,803,334 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Leeds Securities Investment Limited, a licensed corporation to carry on type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 7 May 2024 in relation to the Placing
“Placing Price”	HK\$1.030 per Placing Share
“Placing Share(s)”	up to 16,803,334 new Shares to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“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, 7 May 2024

*As at the date of this announcement, the executive Directors are Mr. Wang Bin (Chairman), Mr. Zhang Yi (Vice 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.*