
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Baoli Technologies Holdings Limited, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

A copy of this Prospectus, together with copies of the documents specified in the paragraph headed "15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES" in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Law of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC take no responsibility for the contents of any of these documents. You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the paragraph headed "WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS" in the "Letter from the Board" in this Prospectus.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker or other licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

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

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus should acquaint themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Nil-paid Rights or fully-paid Rights Shares or to take up any entitlements to the Nil-paid Rights or fully-paid Rights Shares in the US or any other jurisdiction in which such an offer or solicitation is unlawful.



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)

PROPOSED RIGHTS ISSUE ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Placing Agent
Kingkey Securities Group Limited



Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Prospectus, unless otherwise stated.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. Pursuant to the Company's constitutional documents and the Companies Act of Bermuda, there are no requirements for minimum levels of subscription in respect of the Rights Issue. If the Rights Issue is not fully subscribed, the number of Rights Shares that are not subscribed by the Qualifying Shareholders or renouncees or transferees of the Nil-paid Rights under the PALs and the EAFs (i.e. the Unsubscribed Rights Shares) will be placed to independent Places on a best effort basis through the Placing. The Unsubscribed Rights Shares that are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. The Rights Issue is subject to fulfilment of the conditions as set out in the section headed "Letter from the Board – Conditions of the Rights Issue" in this Prospectus. Accordingly, the Rights Issue may or may not proceed.

Dealings in the Rights Shares in nil-paid form will take place from Wednesday, 7 May 2025 to Wednesday, 14 May 2025 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or the Placing Agreement is terminated by the Placing Agent, the Rights Issue will not proceed. Any Shareholder or other person dealing in the existing Shares and/or the Nil-paid Rights up to the date on which all the conditions to which the Rights Issue and the Placing are fulfilled (which is expected to be on Wednesday, 28 May 2025) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Nil-paid Rights. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

The latest date and time for acceptance of and payment for the Rights Shares and application for and payment for Excess Rights Shares is 4:00 p.m. on Monday, 19 May 2025. The procedures for acceptance and payment and/or transfer of the Rights Shares are set out on pages 19 to 21 in the section headed "Letter from the Board – Procedures for acceptance and payment or transfer" of this Prospectus.

2 May 2025

CONTENTS

	<i>Page</i>
DEFINITIONS	1
EXPECTED TIMETABLE	9
LETTER FROM THE BOARD	11
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP	II-1
APPENDIX III – GENERAL INFORMATION	III-1

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following expressions shall have the following meanings:

“2024 GM CB”	the convertible bonds in the aggregate principal amount of HK\$6,000,000 issued by the Company to the subscribers on 25 July 2024 pursuant to the bond instrument constituting such convertible bonds, details of which are disclosed in the announcement of the Company dated 12 July 2024
“AFRC”	the Accounting and Financial Reporting Council in Hong Kong
“acting in concert”	having the meaning as set out in the Takeovers Code
“Announcement”	the announcement of the Company dated 18 February 2025 in relation to the Rights Issue and the Placing
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“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
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 28 March 2025 in relation to, among other things, the Rights Issue and the Placing
“Companies Act”	The Companies Act 1981 of Bermuda, as amended from time to time

DEFINITIONS

“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“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
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company for the time being
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for the Rights Shares in excess of their provisional entitlements under the Rights Issue
“Excess Rights Shares”	any Nil-paid Rights provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of Nil-paid Rights prior to the Latest Time for Acceptance, any entitlements of the Excluded Shareholders provisionally allotted to a nominee of the Company which are left unsold, and shall (for avoidance of any doubt) include the Scale-down PAL Shares (if any) and the Scale-down EAF Shares (if any)
“Excluded Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, after making enquiries regarding the legal restrictions under the laws of the relevant places or the requirements of the relevant overseas regulatory bodies or stock exchanges, consider it necessary or expedient to exclude them from the Rights Issue
“General Rules of HKSCC”	the terms and conditions regulating the use of HKSCC’s services, as may be amended, supplemented and/or otherwise modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures

DEFINITIONS

“GM CB”	the convertible bonds in the aggregate principal amount of HK\$12,000,000 issued by the Company to the subscribers on 29 August 2022 pursuant to the bond instrument constituting such convertible bonds, details of which are disclosed in the announcements of the Company dated 1 August 2022, 17 August 2022 and 30 August 2022
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Operational Procedures”	the operational procedures of the HKSCC, containing HKSCC’s services and the practices, procedures and administrative or other requirements relating to the operations and functions of CCASS or any other platform, as from time to time in force
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	the Shareholder(s) who are not required to abstain from voting at the SGM under the Listing Rules
“Last Trading Day”	18 February 2025, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement
“Latest Placing Time”	8:00 a.m. on Wednesday, 28 May 2025 or such later date as the Company and the Placing Agent may agree in writing, being the latest time for the Placing Agent to place the Placing Shares, the latest time for termination of the Placing Agreement and for the Rights Issue to become unconditional
“Latest Practicable Date”	28 April 2025, being the latest practicable date prior to printing of this Prospectus for ascertaining certain information contained herein

DEFINITIONS

“Latest Time for Acceptance”	4:00 p.m. on Monday, 19 May 2025 (or such later time or date as may be determined by the Company), being the latest time for acceptance of and payment for the Rights Shares and application for and payment for Excess Rights Shares
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MGO Obligation”	the obligation to make a mandatory general offer under the Takeovers Code
“Nil-paid Rights”	the nil-paid rights of the Qualifying Shareholders to be allotted the Rights Shares pursuant to the Rights Issue
“Overseas Shareholder(s)”	Shareholder(s) (whose names appear on the register of members of the Company at the close of business on the Record Date) with registered address(es) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	any person or entity procured by the Placing Agent or its agent(s) to subscribe for any Placing Shares
“Placing”	the placing of the Placing Shares on and subject to the terms and conditions set out in the Placing Agreement
“Placing Agent”	Kingkey Securities Group Limited, a licensed corporation to carry on business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 18 February 2025 (as amended and supplemented by the Supplemental Agreement) entered into between the Company and the Placing Agent in relation to the Placing on a best effort basis, and as amended or varied from time to time by an agreement in writing duly executed and delivered by the Company and the Placing Agent

DEFINITIONS

“Placing Completion Date”	the third Business Day after the Latest Placing Time or such other date as the Company and the Placing Agent may agree in writing, subject to the conditions set out in the Placing Agreement have been fulfilled (or such later date as may be agreed between the Company and the Placing Agent in writing)
“Placing Price”	the placing price of the Placing Shares which shall be at a price equal to the Subscription Price
“Placing Shares”	the Unsubscribed Rights Shares placed to the Placee(s) by the Placing Agent
“PRC”	The People’s Republic of China
“Prospectus”	the prospectus (including any supplementary prospectus, if any) to be despatched to the Qualifying Shareholders (and the Excluded Shareholder(s) for information only) in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Friday, 2 May 2025 or such other date as may be determined by the Company, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders (or in case of the Excluded Shareholder(s), the Prospectus only)
“Public Float Requirement”	the public float requirement under Rule 8.08 of the Listing Rules which requires, inter alia, at least 25% of the issuer’s total number of issued shares (excluding treasury shares) must at all times be held by the public
“Qualifying Shareholder(s)”	Shareholder(s), other than the Excluded Shareholder(s), whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Wednesday, 30 April 2025 (or on such other date as the Company may determine), being the date for the determination of the Shareholders’ entitlements to the Rights Issue

DEFINITIONS

“Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares for subscription by the Qualifying Shareholders on the basis of four (4) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price
“Rights Shares”	up to 428,763,076 Shares proposed to be allotted and issued by the Company pursuant to the Rights Issue
“Scale-down EAF Shares”	such number of Rights Shares applied for as excess application under the EAF(s) which would, if allotted by the Company, result in either the incurring of an MGO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company
“Scale-down PAL Shares”	such number of Rights Shares applied for under the PAL(s) which would, if allotted by the Company, result in either the incurring of an MGO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“SGM”	the special general meeting of the Company convened and held on Wednesday, 16 April 2025 at which the Rights Issue, the Placing Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate have been approved by the Independent Shareholders
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Share Options”	the share options granted by the Company under the Share Option Scheme, and as at the Latest Practicable Date, 3,721,561 Share Options remain outstanding, which entitle the holders thereof to subscribe for an aggregate of 3,721,561 new Shares
“Share Option Scheme”	the share option scheme of the Company adopted on 30 September 2021
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate granted by the Shareholders at the SGM to allot and issue a maximum of 506,363,852 Unsubscribed Rights Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.40 per Rights Share
“substantial shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“Supplemental Agreement”	the supplemental agreement to the Placing Agreement entered into on 14 March 2025 between the Company and the Placing Agent, whereby the parties agreed to (i) revise the placing period to the period commencing on 22 May 2025 and expiring on the Latest Placing Time (both days inclusive) (or such other date as the Company and the Placing Agent may agree in writing); (ii) extend the Latest Placing Time to 8:00 a.m. on 28 May 2025 (or such later date as the Company and the Placing Agent may agree in writing); (iii) set the Placing Price at a price equal to the Subscription Price; and (iv) remove “such that no Placee shall become a substantial shareholder immediately upon the completion of the Placing” as one of the representations, warrants and undertakings of the Placing Agent from the Placing Agreement
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholder(s) or renouncee(s) or transferee(s) of Nil-paid Rights under the PAL(s) and the EAF(s), including the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form that have not been sold by the Company
“Wang CB”	the convertible bonds in the principal amount of RMB20,000,000 (equivalent to approximately HK\$23,255,813.96) issued by the Company to Hong Fu (HF) Holdings Group Limited (ultimately owned as to 85.05% by Mr. Wang Bin) on 30 June 2023 pursuant to the bond instrument constituting such convertible bonds, details of which are disclosed in the announcements of the Company dated 29 March 2023 and 30 June 2023 and the circular of the Company dated 23 May 2023
“Wang’s Undertaking”	the undertaking given by Mr. Wang Bin, the executive Director and the chairman of the Board and the ultimate beneficial owner of the Wang CB, that he and/or his associates will not participate in the Rights Issue and the Placing and will not exercise the conversion rights (through Hong Fu (HF) Holdings Group Limited, the holder of the Wang CB) attaching to the Wang CB upon maturity (i.e. 30 June 2026)
“Zifeng CB”	the convertible bonds in the principal amount of RMB128,370,000 (equivalent to approximately HK\$139,003,790) issued by the Company to Chongqing Zifeng Business Partnership (Limited Partnership)* (重慶市梓峰商貿合夥企業(有限合夥)) on 23 October 2024 pursuant to the bond instrument constituting such convertible bonds, details of which are disclosed in the announcements of the Company dated 14 August 2024 and 23 October 2024 and the circular of the Company dated 20 September 2024
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue and the Placing is set out below:

Event	Time and Date (Hong Kong time)
First day of dealings in Nil-paid Rights	Wednesday, 7 May 2025
Latest time for splitting of PALs	4:30 p.m. on Friday, 9 May 2025
Last day of dealings in Nil-paid Rights	Wednesday, 14 May 2025
Latest time for acceptance of and payment for the Rights Shares and application for and payment for Excess Rights Shares	4:00 p.m. on Monday, 19 May 2025
Announcement of the results of the Rights Issue including the results of application for Excess Rights Shares and the number of Unsubscribed Rights Shares subject to the Placing.	Wednesday, 21 May 2025
Commencement of placing of Unsubscribed Rights Shares by the Placing Agent (if there are any available)	Thursday, 22 May 2025
Latest time of placing of Unsubscribed Rights Shares by the Placing Agent	8:00 a.m. on Wednesday, 28 May 2025
Latest time for termination of the Placing Agreement and for the Rights Issue to become unconditional.	8:00 a.m. on Wednesday, 28 May 2025
Placing Completion Date and Rights Issue settlement date	Monday, 2 June 2025
Announcement of results of the placing of the Unsubscribed Rights Shares by the Placing Agent	Monday, 2 June 2025
Despatch of share certificates for the fully-paid Rights Shares	Tuesday, 3 June 2025
Despatch of refund cheques, if any, for wholly or partially unsuccessful excess applications or if the Rights Issue does not proceed	Tuesday, 3 June 2025

EXPECTED TIMETABLE

Commencement of dealings in the fully-paid Rights Shares 9:00 a.m. on Wednesday,
4 June 2025

Designated broker starts to stand in the market to
provide matching services for odd lots of Shares 9:00 a.m. on Wednesday,
4 June 2025

Designated broker ceases to stand in the market to
provide matching services for odd lots of Shares 4:00 p.m. on Tuesday,
24 June 2025

All times and dates in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this Prospectus are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION FOR AND PAYMENT FOR EXCESS RIGHTS SHARES

The Latest Time for Acceptance will not take place at the time indicated above if there is a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning or “extreme conditions” is announced by the Government of Hong Kong:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 19 May 2025. Instead, the latest time for acceptance of and payment for the Rights Shares and application and payment for Excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 19 May 2025. Instead, the latest time for acceptance of and payment for the Rights Shares and application and payment for Excess Rights Shares will be extended to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest time for Acceptance does not take place at 4:00 p.m. on Monday, 19 May 2025, the dates mentioned in the section headed “**EXPECTED TIMETABLE**” in this Prospectus may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Wang Bin (*Chairman*)

Mr. Zhang Yi (*Vice Chairman*)

Ms. Chu Wei Ning (*Chief Executive Officer*)

Ms. Lam Sze Man

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Independent non-executive Directors:

Mr. Chan Fong Kong, Francis

Mr. Chan Kee Huen, Michael

Mr. Feng Man

Principal place of business in

Hong Kong:

Suites 3706-08, 37th Floor

Dah Sing Financial Centre

248 Queen's Road East

Wanchai

Hong Kong

2 May 2025

To the Qualifying Shareholders and, for information purpose only, the Excluded Shareholders

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

INTRODUCTION

References are made to the Announcement, the announcement of the Company dated 14 March 2025 and the Circular in relation to, among other things, the Rights Issue and the Placing. At the SGM held on 16 April 2025, the proposed resolution for approving the Rights Issue, the Placing Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate was duly approved by the Independent Shareholders, details of which were disclosed in the poll results announcement of the Company dated 16 April 2025.

LETTER FROM THE BOARD

From the date of the Announcement and up to 30 April 2025, being the Record Date, no issue or repurchase of Shares has been conducted. As a result, the total number of issued Shares as at the Record Date was 107,190,769 Shares and the total number of Rights Shares to be issued will be up to 428,763,076 Rights Shares. The Rights Issue will only be available to the Qualifying Shareholders and will not be available to the Excluded Shareholders.

The purpose of this Prospectus is to provide you with, among other things, further details on (i) the Rights Issue, including the procedures for acceptance and payment and/or transfer of the Rights Shares provisionally allotted to you; (ii) the financial information of the Group; and (iii) the general information of the Group.

PROPOSED RIGHTS ISSUE

The Board proposed the Rights Issue, details of which are summarised below:

Rights Issue statistics

Basis of the Rights Issue	: Four (4) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	: HK\$0.40 per Rights Share
Number of Shares in issue as at the Latest Practicable Date and the Record Date	: 107,190,769 Shares
Number of Rights Shares to be issued under the Rights Issue	: Up to 428,763,076 Rights Shares
Aggregate nominal value of the Rights Shares	: Up to HK\$4,287,630.76
Enlarged number of Shares in issue upon completion of the Rights Issue	: Up to 535,953,845 Shares
Gross proceeds from the proposed Rights Issue	: Up to HK\$171,505,230.40

LETTER FROM THE BOARD

Net price per Rights Share (i.e. : Approximately HK\$0.39 per Rights Share
Subscription Price less costs
and expenses incurred in the
Rights Issue)

Rights of excess application : Qualifying Shareholders may apply for Rights
Shares in excess of their provisional allotment

As at the Latest Practicable Date, there are outstanding convertible bonds (consisting of the Zifeng CB and the GM CB) which are convertible into 15,678,633 new Shares prior to the Record Date and 3,721,561 outstanding Share Options which entitle the holders thereof to subscribe for an aggregate of 3,721,561 new Shares. (For the other convertible bonds which shall not be converted on or before the Record Date, please refer to the section headed “**POSSIBLE ADJUSTMENTS TO THE CONVERTIBLE BONDS AND SHARE OPTIONS**” in this Prospectus). As at the Record date, no outstanding Share Options have been exercised and no outstanding convertible bonds (consisting of the Zifeng CB and the GM CB) have been converted into new Shares. Save as disclosed above, as at the Latest Practicable Date, the Company does not have any other share options, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares prior to the Record Date. As a result, the total number of issued Shares as at the Record Date was 107,190,769 Shares and the total number of Rights Shares to be issued by the Company will be up to 428,763,076 Rights Shares.

As at the Latest Practicable Date, save for the Wang’s Undertaking, the Board has not received any information or other undertakings from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue. The Company has no intention to issue any new Shares or issue or grant any options or other securities convertible into, exchangeable for or which carries the right to acquire any Shares on or before the Record Date.

As at the Latest Practicable Date, assuming all the Rights Shares are fully subscribed, the 428,763,076 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represent 400.00% of the total number of issued Shares and 80.00% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares.

LETTER FROM THE BOARD

Wang's Undertaking

As at the Latest Practicable Date, Mr. Wang Bin, the executive Director and the chairman of the Board and the ultimate beneficial owner of the Wang CB, has given his written undertaking to the Company that he and/or his associates will not participate in the Rights Issue and the Placing and will not exercise the conversion rights (through Hong Fu (HF) Holdings Group Limited, the holder of the Wang CB) attaching to the Wang CB upon maturity (i.e. 30 June 2026). Therefore, it is expected that the Wang CB will not be converted into new Shares on or before the Record Date.

The Rights Issue on a non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. The Company have approached several financial institutions to explore the possibility or interest in acting as the underwriter/placing agent of the Company in respect of the Rights Issue. The Placing Agent was the only one who responded to the Company and expressed its interest in acting as the placing agent of the Company. Pursuant to the Company's constitutional documents and the Companies Act of Bermuda, there are no requirements for minimum levels of subscription in respect of the Rights Issue. In addition to the application for Excess Rights Shares, if the Rights Issue is not fully subscribed and in order to increase the subscription level, the number of Rights Shares that are not subscribed by the Qualifying Shareholders or renouncees or transferees of the Nil-paid Rights under the PALs and the EAFs (i.e. the Unsubscribed Rights Shares) will be placed to independent Placees on a best effort basis through the Placing by the Placing Agent. In light of the above arrangements and the fact that the Rights Issue (including the ratio of the Rights Issue and the Subscription Price) would meet the imminent funding needs of the Company, the Directors consider that the terms of the Rights Issue are in the interests of the Company and the Shareholders as a whole. Further details are explained in the paragraph headed "**Subscription Price**" under the section headed "**PROPOSED RIGHTS ISSUE**" and the section headed "**REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS**". The Unsubscribed Rights Shares that are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

LETTER FROM THE BOARD

As the Rights Issue will proceed on a non-underwritten basis, to avoid the unwitting triggering of MGO Obligation and non-compliance of Public Float Requirement, all applications for Rights Shares whether under the PAL(s) or the EAF(s), or by transferees of Nil-paid Rights will be made on the basis that the applications are to be scaled down by the Company to a level which (a) does not trigger an MGO Obligation on the part of the applicant or parties acting in concert with him/her/it, and/or (b) does not result in the non-compliance of the Public Float Requirement on the part of the Company. Any subscription monies for the Scale-down PAL Shares or the Scale-down EAF Shares will be refunded to the applicants, and the Scale-down PAL Shares and the Scale-down EAF Shares will be made available for subscription by other Qualifying Shareholders through the EAF(s).

Subscription Price

The Subscription Price is HK\$0.40 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares and, where applicable, application for the Excess Rights Shares under the Rights Issue or when a transferee of Nil-paid Rights applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 6.98% to the closing price of HK\$0.430 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 6.67% over the closing price of HK\$0.375 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 2.30% over the average closing price of HK\$0.391 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 2.17% over the average closing price of HK\$0.3915 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 1.27% over the theoretical ex-rights price of HK\$0.395 per Share based on the closing price of HK\$0.375 per Share as quoted on the Stock Exchange on the Last Trading Day; and

LETTER FROM THE BOARD

- (vi) there is no theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) as there is a premium of approximately 0.20%, represented by the premium of the theoretical diluted price of HK\$0.3998 per Share over the benchmarked price of HK\$0.399 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of HK\$0.375 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) the average of the closing prices of HK\$0.399 per Share as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the Last Trading Day).

The Subscription Price was determined with reference to (i) the market price of the Shares under the prevailing market conditions; (ii) the financial position of the Group; and (iii) the reasons as discussed in the section headed “**REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS**” in this Prospectus.

According to the closing prices of the Company’s Shares immediately preceding the date of the Announcement, the average and the median in the last six months was HK\$0.435 and HK\$0.425 respectively while the average and the median in the last three months was HK\$0.412 and HK\$0.405 respectively. The Subscription Price of HK\$0.40 represents a discount of approximately 8.05% to the average closing price of HK\$0.435 of the last six months and a discount of approximately 2.91% to the average closing price of HK\$0.412 of the last three months. The Directors consider that the Subscription Price represents a slight premium to the average closing price of the last 5 and last 10 trading days up to and including the Last Trading Day but also a discount in comparison to the average closing price of the last six months and the last three months. The Subscription Price is more prudent and would attract the Shareholders to participate in the Rights Issue given the recent stock market trend in Hong Kong.

The Directors consider that the terms of the Rights Issue (including the Subscription Price) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares then in issue, including the rights to receive all future dividends and other distributions which may be declared, made or paid with a record date which falls on or after the date of allotment of the Rights Shares in their fully-paid form.

LETTER FROM THE BOARD

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be an Excluded Shareholder. In order to be registered as members of the Company on the Record Date so as to qualify for the Rights Issue, any transfers of the Shares (together with the relevant share certificate(s) and/or the instrument(s) of transfer) must be lodged with the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 23 April 2025.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders and investors should consult their professional advisers if they are in doubt as to their status and action to be taken.

The Prospectus is being made available and/or despatched (subject to Shareholders' election to receive physical copies) to the Shareholders. Copies of the Prospectus Documents are also available on the websites of the Company (<http://www.aplushk.com/clients/00164chinabaoli/index.html>) and the Stock Exchange (www.hkexnews.hk). The Prospectus only (excluding the PAL and EAF) is being made available and/or despatched (as the case may be) to the Excluded Shareholders for their information purpose only. The Company is sending PALs and EAFs to the Qualifying Shareholders individually in printed form. The Company will not send the PAL and EAF to the Excluded Shareholders.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholders should note that their shareholdings in the Company will be diluted.

Rights of the Overseas Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

As at the Record Date, there were two Overseas Shareholders with registered addresses situated in the British Virgin Islands (the “BVI”), who collectively held 3,793,365 Shares in aggregate, representing approximately 3.54% of the total number of issued Shares. In compliance with Rule 13.36(2)(a) of the Listing Rules, the Company has made enquiries with the legal adviser regarding the feasibility of extending the Rights Issue to such Overseas Shareholders.

LETTER FROM THE BOARD

Based on the legal advice provided by the BVI legal adviser of the Company, if the proposed Rights Issue is made by the Company in Hong Kong and the Rights Issue is being made by the Company to the Overseas Shareholders in the BVI solely by reason that they are existing shareholders of the Company, (i) the extension of the Rights Issue to the BVI Shareholders and the offering of the Rights Shares to the Overseas Shareholders in the BVI will not violate any applicable law or regulations in the BVI; and (ii) there are no requirements of the relevant regulatory body or stock exchange in BVI regarding the Rights Issue to the Overseas Shareholders in the BVI.

Therefore, based upon such advice, the Board is of the view that the extension of the Rights Issue to the Overseas Shareholders in the BVI and the offering of the Rights Shares to them will not violate any applicable law or regulations in the BVI. Accordingly, the Overseas Shareholders in the BVI shall therefore be Qualifying Shareholders.

It is the responsibility of the Qualifying Shareholders outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connected therewith. Any acceptance of or application for Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

The Company will arrange for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, if any, to be sold in the market as soon as practicable after the commencement of dealings on the Stock Exchange in Rights Shares in nil-paid form and in any event before the last day for dealing in the Nil-paid Rights, if a premium (net of expenses) can be obtained. In the event that and to the extent that such Nil-paid Rights can be sold, the Company will then distribute such proceeds in Hong Kong dollars (after deducting the expenses of sale (if any)) to the Excluded Shareholders pro rata (but rounded down to the nearest cent) to their shareholdings on the Record Date, except that individual amount of HK\$100 or less shall not be so distributed but shall be retained for the benefit of the Company. Any such unsold Nil-paid Rights to which such Excluded Shareholders would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders under the EAF(s).

LETTER FROM THE BOARD

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Basis of provisional allotments

The Company shall provisionally allot the Rights Shares to the Qualifying Shareholders at the Subscription Price, in the proportion of four (4) Rights Shares for every one (1) existing Share held at the close of business on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Fractional entitlements to the Rights Shares

On the basis of provisional allotment of four (4) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise from the Rights Issue.

Application for the Rights Shares

The PALs and the EAFs relating to the Rights Shares are enclosed with this Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein and application by Qualifying Shareholders shall be made by completing such form(s) and lodging the same with separate remittance for the Rights Shares being applied for with the Registrar of the Company by the Latest Time for Acceptance.

Procedures for acceptance and payment or transfer

Qualifying Shareholders should find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than the Latest Time for Acceptance. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker's cashier orders which must be issued by a licensed bank in Hong Kong and made payable to **"China Baoli Technologies Holdings Limited - PAL Account"** and crossed **"ACCOUNT PAYEE ONLY"**.

LETTER FROM THE BOARD

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than the Latest Time for Acceptance, whether by the original allottee or any person to whom the provisional allotment has been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company is not obliged to but may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of the provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Friday, 9 May 2025 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

It should be noted that stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the PAL and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give or be subject to any of the above representations and warranties. The Company reserves the right to refuse to accept any application for Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction.

LETTER FROM THE BOARD

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or banker's cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL together with a cheque or a banker's cashier order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the banker's cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or banker's cashier order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

No receipt will be issued in respect of any PAL and/or remittances received.

Application for Excess Rights Shares

The Company shall make the Excess Rights Shares available for subscription by the Qualifying Shareholders by means of EAF, and the Excess Rights Shares will comprise:

- (i) any Nil-paid Rights provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise not subscribed for by transferees of Nil-paid Rights prior to the Latest Time for Acceptance;
- (ii) any entitlements of the Excluded Shareholders provisionally allotted to a nominee of the Company which are left unsold; and
- (iii) the Scale-down PAL Shares (if any) and the Scale-down EAF Shares (if any).

Applications for Excess Rights Shares may be made by Qualifying Shareholders duly completing the EAFs and lodging the same with a separate remittance for the Excess Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. The Company will allocate the Excess Rights Shares at its discretion on a fair and equitable basis on the following principles:

- (i) any Excess Rights Shares will be allocated to the Qualifying Shareholders who apply for them on a pro-rata basis by reference to the number of the Excess Rights Shares applied for under each application;
- (ii) no reference will be made to the Rights Shares subscribed through applications by the PALs or the existing number of Shares held by the Qualifying Shareholders;

LETTER FROM THE BOARD

- (iii) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings; and
- (iv) if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of Nil-paid Rights under the PALs is greater than the aggregate number of Excess Rights Shares applied for through the EAFs, the Company will allocate to each Qualifying Shareholder who applies for Excess Rights Shares in full application.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the Excess Rights Shares will not be extended to beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names on or prior to the Record Date for the purpose of the Rights Issue. Shareholders and investors should consult their professional advisors if they are in any doubt as to their status.

HKSCC Nominees Limited will allocate the Excess Rights Shares it receives to the relevant CCASS Participants pro rata to the number of Excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate which is pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the HKSCC Operational Procedures. The procedures for application for Excess Rights Shares shall be in accordance with the General Rules of HKSCC, the HKSCC Operational Procedures and any other requirements of CCASS.

Application for Excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate cheque or banker's cashier order for the amount payable for the Excess Rights Shares being applied for with the Registrar by not later than the Latest Time for Acceptance. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by banker's cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to **"China Baoli Technologies Holdings Limited - EAF Account"** and crossed **"ACCOUNT PAYEE ONLY"**.

LETTER FROM THE BOARD

An announcement of results of acceptance of and excess applications for the Rights Issue will be published on the websites of the Stock Exchange and the Company on Wednesday, 21 May 2025. If no Excess Rights Shares are allotted to a Qualifying Shareholder who has applied for Excess Rights Shares, the amount tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full without interest by ordinary post by the Registrar at his/her/its own risk on Tuesday, 3 June 2025. If the number of Excess Rights Shares allotted to a Qualifying Shareholder is fewer than that applied for, the surplus application monies without interest are also expected to be returned by refund cheque to that Qualifying Shareholder by ordinary post by the Registrar at his/her/its own risk on Tuesday, 3 June 2025.

All cheques or banker's cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give or be subject to any of the above representations and warranties. The Company reserves the right to refuse to accept any application for Excess Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction.

Completion and return of the EAF together with a cheque or a banker's cashier order in payment for the Excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the banker's cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereto, the Company reserves the right to reject any EAF in respect of which the accompanying cheque or banker's cashier order is dishonoured on first presentation, and in that event, all rights thereunder will be deemed to have been declined and will be cancelled.

The EAF is for use only by the Qualifying Shareholders to whom it is addressed and is not transferable. All documents, including cheques or banker's cashier orders for amounts due, will be sent by ordinary post at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. The Company may require such incomplete EAF to be completed by the relevant applicants at a later stage.

It should be noted that no receipt will be issued in respect of any EAF and/or remittances received.

LETTER FROM THE BOARD

Action to be taken by beneficial owners holding interests in Shares through CCASS

If you are a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for the Rights Shares provisionally allotted to HKSCC Nominees Limited in respect of your Shares, or sell the respective Nil-paid Rights or “split” those Nil-paid Rights and accept part of the provisional allotment and sell the remaining part, or apply for the Excess Rights Shares, you should (unless you are a CCASS participant) contact your intermediary and provide your intermediary with instructions or make arrangements with your intermediary in relation to the applications.

Such instructions and/or arrangements should be given or made in advance of the relevant date stated in the section headed “**EXPECTED TIMETABLE**” of this Prospectus and otherwise in accordance with the requirements of your intermediary in order to allow your intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited and the application for the Excess Rights Shares shall be in accordance with the General Rules of HKSCC, the HKSCC Operational Procedures and any other requirements of CCASS.

Beneficial owners who are CCASS participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such beneficial owners’ interests in Nil-paid Rights should be dealt with and any applications for the Excess Rights Shares.

Application for listing

The Company has made an application to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) to be allotted and issued pursuant to the Rights Issue. The Rights Shares (in both nil-paid and fully-paid forms) will be traded in the board lots of 5,000 Shares. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

LETTER FROM THE BOARD

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests if they are in any doubt.

Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy or any other applicable fees and charges in Hong Kong.

Share certificates of the Rights Shares and refund cheques for Rights Issues

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on Tuesday, 3 June 2025 to those entitled thereto by ordinary post to their registered addresses, at their own risk. Those entitled, except HKSCC Nominees Limited, and in the case of joint Qualifying Shareholders, the first-named Qualifying Shareholder, will receive one share certificate for all the Rights Shares in fully-paid form, allotted and issued thereto.

Refund cheques in respect of wholly or partially unsuccessful applications for Excess Rights Shares (if any) or if the Rights Issue does not proceed are expected to be posted on Tuesday, 3 June 2025 by ordinary post to the applicants' registered addresses, at their own risk.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the Nil-paid Rights or the fully-paid Rights Shares and, regarding Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the Nil-paid Rights on their behalf. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

LETTER FROM THE BOARD

Arrangement of odd lot trading

In order to facilitate the trading of odd lots (if any) of the Shares, the Company has appointed VC Brokerage Limited to stand in the market to match the purchase and sale of odd lots of the Shares at the relevant market price, on a best effort basis. Holders of odd lots of the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up to a full board lot may contact Mr. Leung (Dealing Department) at (852) 2101-8290, 6/F, Centre Point, 181-185 Gloucester Road, Wanchai, Hong Kong during the period from Wednesday, 4 June 2025 at 9:00 a.m. to Tuesday, 24 June 2025 at 4:00 p.m., both days inclusive. Holders of the odd lots of the Shares should note that the matching of the sale and purchase of odd lots of the Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot facility, is recommended to consult his/her/its own professional advisers.

Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfilment of each of the following conditions:

- (i) the passing by the Shareholders (or the Independent Shareholders, as the case may be) at the SGM of the necessary resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by no later than the Prospectus Posting Date;
- (ii) the provision to the Stock Exchange for authorisation and the filing and registration with the Companies Registry in Hong Kong respectively one duly certified copy of each of the Prospectus Documents (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (iii) following registration, the Prospectus Documents be made available and/or sent (as the case may be) to the Qualifying Shareholders (and, where applicable, to the Excluded Shareholder(s), if any, for information purpose only) and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Prospectus Posting Date;
- (iv) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms;
- (v) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect; and

LETTER FROM THE BOARD

- (vi) the Company having complied with the requirements under all applicable laws and regulations.

None of the above conditions can be waived. The Company shall use all reasonable endeavours to procure the fulfilment of the above conditions by the respective dates specified above. If any of the conditions above are not fulfilled by Wednesday, 28 May 2025, the Rights Issue will not proceed.

As at the Latest Practicable Date, the condition (i) of the Rights Issue has been fulfilled and none of the other conditions of the Rights Issue have been fulfilled.

PLACING OF UNSUBSCRIBED RIGHTS SHARES UNDER SPECIFIC MANDATE

The Placing

On 18 February 2025 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to appoint and the Placing Agent has conditionally agreed to act as the Placing Agent for the Company to procure on a best effort basis not less than six (6) Placees to subscribe for the Placing Shares (i.e. the Unsubscribed Rights Shares) on and subject to the terms and condition set out in the Placing Agreement. The Placing Shares will be allotted and issued pursuant to the Specific Mandate to be granted by the Shareholders at the SGM. On 14 March 2025 (after trading hours), the Company and the Placing Agent entered into the Supplemental Agreement, whereby the parties agreed to (i) revise the placing period to the period commencing on 22 May 2025 and expiring on the Latest Placing Time (both days inclusive) (or such other date as the Company and the Placing Agent may agree in writing); (ii) extend the Latest Placing Time to 8:00 a.m. on 28 May 2025 (or such later date as the Company and the Placing Agent may agree in writing); (iii) set the Placing Price at a price equal to the Subscription Price; and (iv) remove “such that no Placee shall become a substantial shareholder immediately upon the completion of the Placing” as one of the representations, warrants and undertakings of the Placing Agent from the Placing Agreement.

Under the terms of the Placing Agreement, if the Rights Issue is fully subscribed, i.e. all the Rights Shares are being fully taken up by the Qualifying Shareholders or renouncee(s) or transferee(s) under the PALs and the EAFs, the Placing will not proceed.

LETTER FROM THE BOARD

The Placing Agreement

The principal terms of the Placing Agreement are summarised as follows:

Date : 18 February 2025 (after trading hours of the Stock Exchange)

Parties : (i) the Company, as issuer; and

(ii) the Placing Agent.

Placing Agent : Kingkey Securities Group Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, was appointed as the Placing Agent to procure, on a best effort basis, not less than six (6) Placees to subscribe for the Placing Shares.

The Placing Agent confirmed that each of it and its ultimate beneficial owner(s) is a third party independent of and not connected with the Company and its connected persons.

Placing commission : 1% of the amount which is equal to the placing price multiplied by the number of the Placing Shares actually placed by the Placing Agent.

Placing price : HK\$0.40 per Placing Shares

Placing period : The placing period shall commence on Thursday, 22 May 2025 and expire on the Latest Placing Time (both days inclusive) or such other date as the Company and the Placing Agent may agree in writing, being the period during which the Placing Agent will seek to effect the Placing.

Placees : The Placing Shares shall be placed to such persons or companies whose themselves and their respective ultimate beneficial owners (if applicable) are third parties independent of, and not connected with or acting in concert with, the Company, its connected persons (as defined under the Listing Rules) and their respective associates (as defined under the Listing Rules) of the Company.

LETTER FROM THE BOARD

- Ranking : The Placing Shares shall rank *pari passu* in all respects among themselves and with the existing Shares in issue and be free from all liens, charges, encumbrances and third-party rights together with all rights attaching thereto as at the Placing Completion Date, including but not limited to the rights to receive all future dividends and other distributions thereafter declared, made or paid.
- Conditions precedent : The Placing is conditional upon the fulfillment of the following conditions:
- (i) the passing by the Shareholders (or the Independent Shareholders, as the case may be) at the SGM of the necessary resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by no later than the Prospectus Posting Date;
 - (ii) the provision to the Stock Exchange for authorisation and the filing and registration with the Companies Registry in Hong Kong respectively one duly certified copy of each of the Prospectus Documents (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
 - (iii) following registration, the Prospectus Documents be made available and/or sent (as the case may be) to the Qualifying Shareholders (and, where applicable, to the Excluded Shareholder(s), if any, for information purpose only) and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Prospectus Posting Date;
 - (iv) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares (including the Placing Shares) in both their nil-paid and fully-paid forms;

LETTER FROM THE BOARD

- (v) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect; and
- (vi) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated hereunder having been obtained.

The Company shall use all reasonable endeavours to procure the fulfillment of all the above conditions precedent (i) to (vi) by the respective dates specific above. In the event the above conditions precedent (i) to (vi) are not fulfilled on or before the Latest Placing Time (or such later date as may be agreed between the Company and the Placing Agent in writing), all rights, obligations and liabilities of the parties hereto shall cease and terminate and neither of the parties shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

- Completion of the Placing : The completion of the Placing shall take place on the Placing Completion Date.
- Termination : The Placing Agent may terminate the Placing Agreement without any liability to the Company save for antecedent breach under the Placing Agreement prior to such termination, by notice in writing given to the Company at any time prior to 8:00 a.m. on the Latest Placing Time upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

LETTER FROM THE BOARD

- (i) the occurrence of 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, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would adversely affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's reasonable opinion, would adversely affect the success of the Placing; or
- (iii) 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 or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) save as disclosed in the interim report 2024 dated 30 December 2024, the 2024 interim results announcement dated 29 November 2024, the annual report 2023/24 dated 31 July 2024 and the 2023/24 annual results announcement dated 28 June 2024, any litigation or claim being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial position of the Group and which in the Placing Agent's reasonable opinion would adversely affect the success of the Placing; or

LETTER FROM THE BOARD

- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (vi) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Placing Completion Date which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (vii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Application for listing

The Company has applied to the Stock Exchange for the approval for the listing of, and permission to deal in, the Placing Shares.

The terms of the Placing Agreement (including the placing commission) were determined after arm's length negotiation between the Placing Agent and the Company and are on normal commercial terms after considering (i) the prevailing market conditions; (ii) the funding requirements of the Group as detailed in the section headed "**REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS**"; and (iii) the Subscription Price. The Directors consider that the placing commission charged by the Placing Agent is no less favourable to the Company than the market rate in recent placing transactions and are therefore of the view that the terms of the Placing Agreement are on normal commercial terms.

The net proceeds from the Placing will be utilised for the same purposes as described in the section headed "**REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS**" in this Prospectus.

LETTER FROM THE BOARD

The Placing Agent shall ensure that the Placing Shares are placed (i) to such persons or companies whose themselves and their respective ultimate beneficial owners (if applicable) are third parties independent of, and not connected with or acting in concert with, the Company, its connected persons (as defined under the Listing Rules) and their respective associates (as defined under the Listing Rules); (ii) such that no Placees (together with parties acting in concert with the respective Placees or any of the connected persons or associates of the respective Placees) shall hold in aggregate 30% or more of the voting rights of the Company immediately upon the completion of the Placing or otherwise trigger any MGO obligation under the Takeovers Code immediately upon the completion of the Placing; and (iii) such that the Public Float Requirement be complied with by the Company immediately upon the completion of the Placing.

Given that the Placing Agreement will provide (1) a distribution channel of the Placing Shares for the Company; and (2) a channel of participation in the Rights Issue for independent investors, so that the Placing would allow the Company to raise the shortfall of funds required where possible after the Rights Issue, the Directors consider that the Placing Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are convergence media business, dry grinding and dry beneficiation business (the “**DGDB Business**”), and other operations – investment, securities trading and tourism and hospitality business.

As at 30 September 2024, the Group’s current liabilities exceeded its current assets by approximately HK\$206,247,000 and the Group had net liabilities of approximately HK\$370,914,000, in which total borrowings and liability component of convertible bonds amounted to approximately HK\$249,273,000, while its cash and cash equivalents amounted to approximately HK\$2,049,000. The Directors considered that it is imperative to conduct fundraising activities to maintain sufficient working capital to finance its operations and to meet its financial obligations.

The net proceeds of the Rights Issue and the Placing (after deduction of expenses) are estimated to be approximately HK\$167.7 million (assuming no change in the number of Shares in issue and full subscription under the Rights Issue).

LETTER FROM THE BOARD

Upon completion of the Rights Issue, the unutilised proceeds from the Rights Issue will be temporarily placed in the Company's bank accounts for demand deposits or other short-term deposits in licensed banks. The Company intends to apply the net proceeds of approximately HK\$167.7 million as follows (In the event of an under-subscription of the Rights Issue, the net proceeds will be utilised on a pro-rata basis as follows.):

Repayment of Outstanding Liabilities

Approximately HK\$119.7 million (being approximately 71.4% of the net proceeds) is intended to be used for repayment of outstanding liabilities of the Group, including the outstanding principal and interest of convertible bonds, loans from third parties (which are short-term loans), Shareholders' and Directors' loan (which are overdue for 4-5 years), trade payables, accrued staff costs and other payables and accruals. Due to financial constraints and cash limitations resulting from COVID-19 pandemic on the Company's business in the previous years, the Directors prioritised the allocation of financial resources to the business development and sustained the business operation. The detail breakdown of the use of proceeds which will be utilised for the repayment of the outstanding liabilities of the Group are summarised in the table as below. Upon the receipt of the net proceeds, the Company will repay the past due loans and other payables immediately and will settle the relevant amount of the convertible bonds and a loan from third party on the due date as shown below. The Directors believe that repaying such liabilities will enable the Group to improve its gearing ratio (being the ratio of the total debts to total assets, will be decreased from 660.79% as at 30 September 2024 to 278.04% after completion of the Rights Issue) and financial position of the Company. By doing so, the Group can potentially negotiate better terms with financial institutions. This strategic move aims to improve the Group's financial position and provide opportunities for more favourable financing arrangements.

LETTER FROM THE BOARD

Items	Amount (HK\$ million)	Due Date
GM CB	13.0	August 2025
Zifeng CB (part of the redemption amount to be paid as scheduled on or before the first anniversary of the first issue date of the Zifeng CB)	5.0	October 2025
Loan from third parties		December 2023,
– Licensed money lender	20.8	January 2024 &
– Independent third party	3.9	June 2025
Shareholders' and Directors' loan		Past due for
– Ms. Chu Wei Ning	34.1	4-5 years
– Ms. Lam Sze Man	0.4	
Other payable:		
– Trade payables – convergence media business	23.4	December 2023
– Payables to service provider and advisors	1.0	Past due for 1 year
– Accrued staff costs	12.7	Past due for 1-2 years
– Amount due to employees	5.4	Past due for 3-4 years
	<hr/>	
Total	<hr/> <hr/> 119.7	

General Working Capital

Approximately HK\$22.0 million (being approximately 13.1% of the net proceeds) is intended to be used for general working capital of the Group including but not limited to salary expenses, rental expenses, professional fee and other business development expenses and will be utilised within the next 12 months. The Directors believe that the proceeds will help to replenish the working capital of the Group to support its operations.

LETTER FROM THE BOARD

The Convergence Media Business

Approximately HK\$26.0 million (being approximately 15.5% of the net proceeds) is intended to be used for the convergence media business (the “**Convergence Media Business**”) and will be utilised within the next 12 months. In late 2024, the Group has entered into two new marketing contracts with two different famous brands with an aggregate sum of approximately HK\$15 million. During the execution of one of it, supplemental marketing plans may arise, with an estimated contract value of HK\$4 million. The customer has expressed their intention to further launch a marketing campaign in the second half of 2025. The Company and the customer are discussing the details of the marketing plans. The Company plans to allocate approximately HK\$12 million of the net proceeds on these two projects.

So far in the fiscal year 2024/2025, the Group has entered into 6 contracts with the aggregate contract sum of approximately HK\$2.1 million in relation to provision of services to different brands/products in the automobile industry. The range of services including video creation, copywriting, print advertisement production, online presentation events, and social media marketing. As of the current date, there are certain marketing plans in the automobile industry under negotiation. Given that the automotive sector typically allocates substantial budgets for marketing, with the extensive experience and strong reputation of the Convergence Media Business team, and along with the remarkable growth of the automobile industry, it is intended to allocate approximately HK\$2 million of the net proceeds in the business development of automotive related projects.

The Group possesses extensive experience and strong business connections in billboard and LED wall advertising and provide this marketing service to different notable brands/products from time to time. As at the date hereof, there are certain contracts under negotiation. Upon completion of the Rights Issue, the Company intends to allocate up to approximately HK\$2 million of the net proceeds to this segment.

The Group also maintained its focus on cultural events and music concerts, serving as one of the revenue streams under the Convergence Media Business by positioning itself as one of the leading organiser and more human resources as well as financial resources (after completion of the Rights Issue) will be allocated in this sector. In recent months, the Group has been actively negotiating with other firms regarding large-scale performance and concert projects. The Group will be responsible for key aspects of these projects, including developing and submitting performance proposals, obtaining necessary approvals (such as cultural permits, security plans, fire safety compliance, and traffic coordination), and overseeing venue services, stage construction, as well as audiovisual and lighting installations. Given that substantial upfront costs are required to organize these performance projects, the Group intends to allocate up to approximately HK\$10 million of the net proceeds to this segment as its budget for the fiscal year 2025/2026 and the expected revenue to be generated from the performance and concert projects is approximately HK\$12 million. A memorandum of understanding has been executed regarding the large-scale performance and concert projects. Upon completion of the Rights Issue, the expected net proceeds will provide financial resources for the Group to move on to the next stage. This funding will not only enable the Group to expand its presence in the live events segment but also build a strong track record, positioning it to secure more live event opportunities in the future.

LETTER FROM THE BOARD

In 2025, the Company has expanded its Convergence Media Business to provide content promotion services to the customers by distributing contents on major social media platforms including Tencent (騰訊) and Kuaishou (快手). Through these platforms, the Company tailors marketing strategies to match audience behaviors, ensuring optimal advertising performance and user engagement.

Upon completion of the Rights Issue, the financial position of the Group is expected to improve significantly. The additional cash inflow and the reduction of liabilities through the use of proceeds to partially repay outstanding obligations will enhance the Group's financial position. This improvement will also strengthen the Group's ability to obtain additional funding through debt financing or other financing alternatives.

Other fundraising alternatives

Apart from the Rights Issue, the Directors have also explored other debt or equity fundraising alternatives such as bank borrowings, placing or open offer. The Directors note that the credit lines provided by bank borrowings is very limited and requires collateral. If available, the expected size of bank borrowing required by the Group likely carry additional interest costs and create further pressure to the liquidity and profitability of the Group, and placing of new shares dilutes the interests of existing Shareholders without giving them the opportunity to take part in the exercise. As opposed to open offer, the Rights Issue enables the Shareholders to sell the Nil-paid Rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group.

Having considered the above alternatives, the Directors consider that the Rights Issue will enable the Company to strengthen its capital structure without incurring additional debt financing cost and enhance its financial position, which in turn will support the Company's continuing development and business growth. The Directors are also of the opinion that the Rights Issue will allow all the Qualifying Shareholders the equal opportunity to subscribe for their respective pro rata provisional entitlement of the Rights Shares and hence avoiding dilution in their shareholding interests in the Company.

In light of the aforementioned, the Directors consider that the terms of the Rights Issue are fair and reasonable and the Rights Issue is in the best interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes, set out below are the shareholding structures of the Company as at the Latest Practicable Date to immediately after completion of the Rights Issue:

Shareholders	Before the Rights Issue				Immediately after completion of the Rights Issue			
	As at the Latest Practicable Date		Assuming full acceptance by all Qualifying Shareholders and there is no Excluded Shareholder		Assuming (a) no acceptance by the Qualifying Shareholders; and (b) all the Placing Shares are placed to independent Placees		Assuming (a) full conversion of the Zifeng CB and GM CB after the Record Date and before completion of the Rights Issue ^(Note 5) ; (b) no acceptance by the Qualifying Shareholders; and (c) all the Placing Shares are placed to independent Placees	
	Number of Shares	Approximate	Number of Shares	Approximate	Number of Shares	Approximate	Number of Shares	Approximate
<i>Directors</i>								
Mr. Zhang Yi (“Mr. Zhang”) ^(Note 1, 4)	2,154,275	2.0098%	10,771,375	2.0098%	2,154,275	0.4020%	2,154,275	0.3905%
Ms. Chu Wei Ning (“Ms. Chu”) ^(Note 2, 4)	300,000	0.2799%	1,500,000	0.2799%	300,000	0.0560%	300,000	0.0544%
Ms. Lam Sze Man (“Ms. Lam”) ^(Note 3, 4)	5,000	0.0047%	25,000	0.0047%	5,000	0.0009%	5,000	0.0009%
Mr. Chan Kee Huen, Michael ^(Note 4)	250	0.0002%	1,250	0.0002%	250	0.0000%	250	0.0000%
Sub-total	2,459,525	2.2946%	12,297,625	2.2946%	2,459,525	0.4589%	2,459,525	0.4458%
Public Shareholders								
Placees	-	-	-	-	428,763,076	80.0000%	428,763,076	77.7262%
Holder of Zifeng CB	-	-	-	-	-	-	11,678,635	2.1171%
Holder of GM CB	-	-	-	-	-	-	3,999,998	0.7251%
Other public Shareholders	104,731,244	97.7054%	523,656,220	97.7054%	104,731,244	19.5411%	104,731,244	18.9858%
Sub-total	104,731,244	97.7054%	523,656,220	97.7054%	533,494,320	99.5411%	549,172,953	99.5542%
Total	107,190,769	100.0000%	535,953,845	100.0000%	535,953,845	100.0000%	551,632,478	100.0000%

Notes:

- 800 Shares are beneficially owned by Mr. Zhang, 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. In addition, Mr. Zhang owns 372,156 share options which entitle him to subscribe for 372,156 Shares.
- In addition to 300,000 Shares, Ms. Chu owns 372,156 share options which entitle her to subscribe for 372,156 Shares.

LETTER FROM THE BOARD

3. In addition to 5,000 Shares, Ms. Lam owns 186,078 share options which entitle her to subscribe for 186,078 Shares.
4. Mr. Zhang, Ms. Chu and Ms. Lam are executive Directors, and Mr. Chan Kee Huen, Michael is an independent non-executive Director.
5. Assuming the Zifeng CB and GM CB are converted at the initial conversion price of HK\$11.9024 per Share and HK\$3.00 per Share respectively.
6. 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.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue. Further announcements will be made by the Company in accordance with the Listing Rules following the completion of the Rights Issue upon which the Rights Shares are allotted and issued.

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

Set out below is the fundraising activities conducted by the Company during the past twelve months immediately prior to the Latest Practicable Date:

Date of announcement/ circular	Event	Net proceeds raised	Proposed use of proceeds	Actual use of proceeds
14 August 2024, 20 September 2024, 10 October 2024 and 23 October 2024	Issue of convertible bonds under specific mandate	Nil (<i>Note</i>)	To set off RMB129.17 million from the agreed amount with the creditor on a dollar-for- dollar basis. (<i>Note</i>).	Utilised as intended
4 October 2024 and 18 October 2024	Subscription of new shares under general mandate	Approximately HK\$3.9 million	(i) approximately HK\$2 million for set off against part of the debt owing by the Company to two of the subscribers; and (ii) approximately HK\$1.9 million for general working capital.	Utilised as intended

LETTER FROM THE BOARD

Date of announcement/ circular	Event	Net proceeds raised	Proposed use of proceeds	Actual use of proceeds
12 July 2024	Subscription of convertible bonds under general mandate	Approximately HK\$5.5 million	(i) approximately HK\$3.85 million for the repayment of the outstanding liabilities of the Group; and (ii) approximately HK\$1.65 million for the overhead expenses, administrative expenses and operating expenses of the Group.	Utilised as intended
7 May 2024, 28 May 2024, 11 June 2024 and 2 July 2024	Placing of new shares under general mandate	Approximately HK\$13.5 million	(i) settlement of the outstanding liabilities of the Group in the amount of approximately HK\$9.3 million (being approximately 70% of the net proceeds); (ii) development of the business of the Group in the amount of approximately HK\$2.7 million (being approximately 20% of the net proceeds); and (iii) general working capital of the Group in the amount of approximately HK\$1.5 million (being approximately 10% of the net proceeds).	Utilised as intended

Note: There were no net proceeds from the issue of the convertible bonds in the principal amount of RMB128.37 million (equivalent to approximately HK\$139,003,790) as the consideration was used to set off RMB129.17 million from the agreed amount with the creditor on a dollar-for-dollar basis.

Save for the above, the Company has not conducted any other equity fundraising activities in the past twelve months immediately prior to the Latest Practicable Date.

LETTER FROM THE BOARD

POSSIBLE ADJUSTMENTS TO THE CONVERTIBLE BONDS AND SHARE OPTIONS

As at the Latest Practicable Date, there are (i) outstanding GM CB in the principal amount of HK\$12,000,000 with the conversion rights entitling the holders to convert such convertible bonds into 3,999,998 Shares at the conversion price of HK\$3.00 per Share; (ii) outstanding Wang CB in the principal amount of RMB20,000,000 (equivalent to approximately HK\$23,255,813.96) with the conversion rights entitling the holder to convert such convertible bonds into 10,335,917 Shares at the conversion price of HK\$2.25 per Share (*Note 1*); (iii) outstanding 2024 GM CB in the principal amount of HK\$6,000,000 with the conversion rights entitling the holders to convert such convertible bonds into 1,500,000 Shares at the conversion price of HK\$4.00 per Share (*Note 2*); (iv) outstanding Zifeng CB in the principal amount of RMB128,370,000 (equivalent to approximately HK\$139,003,790) with the conversion rights entitling the holder to convert such convertible bonds into 11,678,635 Shares at the conversion price of HK\$11.9024 per Share; and (v) 3,721,561 outstanding Share Options entitling the holders to subscribe for 3,721,561 Shares under the Share Option Scheme.

Notes:

1. Pursuant to the Wang's Undertaking, it is expected that the Wang CB will not be converted into new Shares on or before the Record Date.
2. Pursuant to the instrument of the 2024 GM CB, the conversion period will be from 25 July 2025 to 26 July 2027. Therefore, the 2024 GM CB will not be converted into new Shares on or before the Record Date.

Pursuant to the terms and conditions of the instrument of the above convertible bonds and the Share Option Scheme and the Listing Rules, the Rights Issue may lead to adjustments to, among others, (i) the conversion price and/or the number of Shares to be converted under the convertible bonds and (ii) the exercise price and/or the number of Shares to be issued upon exercise of the outstanding Share Options. Further announcement will be made in respect of the said adjustments as and when appropriate.

Save as disclosed above, as at the Latest Practicable Date, the Company does not have any other share options, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50%, the Rights Issue must be made conditional on the approval by the Independent Shareholders at which any controlling Shareholders and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the resolution relating to the Rights Issue at the SGM.

The Placing Shares will be allotted and issued under the Specific Mandate and the Placing is subject to Shareholders' approval at the SGM.

At the SGM held on 16 April 2025, the proposed resolution for approving the Rights Issue, the Placing Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate was duly approved by the Independent Shareholders, details of which were disclosed in the poll results announcement of the Company dated 16 April 2025.

There is no theoretical dilution impact of the Rights Issue and the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS

The Rights Issue and the Placing are subject to the fulfilment of the conditions as set out in the paragraphs headed “Conditions of the Rights Issue” and “The Placing Agreement” respectively in this Prospectus. Shareholders and potential investors of the Company should note that if any of the applicable conditions are not satisfied, the Rights Issue and/or the Placing will not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. There is no minimum amount to be raised under the Rights Issue.

Any Shareholder or other person dealing in the existing Shares and/or the Nil-paid Rights up to the date on which all the conditions to which the Rights Issue and the Placing are fulfilled (which is expected to be on Wednesday, 28 May 2025) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Nil-paid Rights. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this Prospectus.

Yours faithfully,
For and on behalf of the Board of
China Baoli Technologies Holdings Limited
Chu Wei Ning
Executive Director and Chief Executive Officer

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the three years ended 31 March 2022, 2023 and 2024, and for the six months ended 30 September 2024 is disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.aplushk.com/clients/00164chinabaoli/index.html>).

- Interim report for the six months ended 30 September 2024 (pages 23 to 54):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1230/2024123000769.pdf>

- Annual report for the year ended 31 March 2024 (pages 69 to 224):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0731/2024073101316.pdf>

- Annual report for the year ended 31 March 2023 (pages 68 to 220):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0728/2023072801679.pdf>

- Annual report for the year ended 31 March 2022 (pages 69 to 264):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0728/2022072800917.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 10 March 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had total outstanding indebtedness as follows:

Borrowings

- the Group had unsecured and unguaranteed other borrowings from third parties of approximately HK\$23,849,000 which are repayable on demand and interest-free. The Group also had unsecured and unguaranteed other borrowings from third parties of approximately HK\$12,306,000 which are repayable on demand and carry fixed interest rates of 10% to 18% per annum.
- the Group had unsecured and unguaranteed borrowings from employees of approximately HK\$14,951,000 which are repayable on demand and interest-free. The Group also had unsecured and unguaranteed borrowings from employees of approximately HK\$8,750,000 which are repayable on demand and carry fixed interest rate of 18% per annum.

- the Group had unsecured and unguaranteed placing notes with aggregate principal amount of HK\$30,000,000. The placing notes carry interest at 5% per annum. The unpaid interest payables on the placing notes are HK\$11,938,000.
- the Group had Shareholders' and Directors' loan of HK\$79,603,000 which are unsecured, unguaranteed, interest-free and repayable on demand.
- the Group had unsecured bank borrowings of RMB695,000 (equivalent to HK\$746,000) which will be mature between 10 July 2025 and 10 July 2026 and carries fixed interest rates between 6.84% and 10.08% per annum. A director of certain subsidiaries of the Company has issued personal guarantees in favour of the banks to secure bank borrowings granted to the Company up to the extent of RMB15,000,000 (equivalent to HK\$16,115,000).

Lease liabilities

- the Group had lease liabilities of approximately HK\$586,000.

Liability component of convertible bonds

- the total amount of liability component of convertible bonds is HK\$180,038,000 which are unsecured and unguaranteed.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables and contract liabilities, as at 10 March 2025, the Group did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages and charges, hire purchase commitments, guarantees or other material contingent liabilities.

To the best knowledge of the Directors, having made all reasonable enquiries, the Directors are not aware of any material adverse change in the Group's indebtedness position and contingent liabilities since 10 March 2025.

3. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, taking into account of (i) the financial resources presently available to the Group, (ii) the estimated net proceeds from the Rights Issue, and (iii) no facilities are shown to be required by the Company's working capital forecast, the Group would not have sufficient working capital for at least the next 12 months from the date of this Prospectus in the absence of extension of borrowings and/or obtaining re-financing. If the maximum net proceeds from the Rights Issue are raised, there will be shortfall in working capital during the next 12 months from the date of this Prospectus.

The major factor leading to the insufficiency of working capital is that certain major borrowings of the Group will fall due within the next twelve months from the date of this Prospectus while the future operating cash inflow of the Group is insufficient to match the repayment schedule of borrowings and relevant interest payment.

To address the working capital sufficiency issue, the Directors will (i) propose to further raise fund of approximately HK\$50 million; (ii) devote its best effort to negotiate a loan capitalisation amounting to approximately HK\$42 million; (iii) devote its best effort to negotiate for extension of repayment of other borrowings from third parties and employees, amounts due to a third party, shareholders and directors, accrued staff cost and trade payable balances which are repayable on demand of approximately HK\$133 million in aggregate; and (iv) devote its best effort to secure the advertising contracts with the customers in the convergence media technologies business of approximately HK\$24.4 million and further develop its dry grinding and dry beneficiation business.

As at the Latest Practicable Date, there is no concrete plan for fund raising in the next twelve months if the Rights Shares are not fully taken up. However, the Company has explored both equity and debt fundraising alternatives, including but not limited to placing of shares/convertible bonds under general mandate, project financing, and other borrowings to develop its DGDB Business and to meet the loan repayment needs for the coming twelve months. The Company will make announcement according to the Listing Rules as and when appropriate.

The Company has negotiated and discussed with potential customers. Certain customers have expressed their intention to launch marketing campaigns in the second half of 2025 and even the first half of 2026. The Company will further discuss the details of marketing plans with the potential customers. The expected aggregate contract sum is approximately HK\$24.4 million.

Taking into account the successful implementation of all the measures mentioned above, the Directors are of the view that the Group would have sufficient working capital for at least the next twelve months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, other than the loss of approximately HK\$8.0 million for the six months ended 30 September 2024, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since 31 March 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. BUSINESS TREND AND FINANCIAL AND TRADING PROSPECTS OF THE GROUP

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

The Convergence Media Business

The Group has maintained the business in automotive sector by focusing on organizing product launches, conducting vehicle reviews, and hosting technical live-streaming sessions. Leveraging platforms such as Douyin (TikTok China), WeChat Channels, and media streaming services, the Group has strengthened its presence within the automotive industry. As mentioned in the letter from the Board above, so far in the fiscal year 2024/2025, the Group has entered into 6 contracts with the aggregate contract sum of approximately HK\$2.1 million in relation to provision of services to different brands/products in the automobile industry. The range of services including video creation, copywriting, print advertisement production, online presentation events, and social media marketing. As of the current date, there are certain marketing plans in the automobile industry under negotiation.

In 2025, the Company has expanded its Convergence Media Business to provide content promotion services to the customers by distributing contents on major social media platforms including Tencent (騰訊) and Kuaishou (快手). Through these platforms, the Company tailors marketing strategies to match audience behaviors, ensuring optimal advertising performance and user engagement.

Billboard and LED wall advertising is one of the main revenue streams for the Convergence Media Business. So far in the fiscal year 2024/2025, the Group entered into 5 contracts to promote the clients' brands/products. Notable brands include Suntory, a renowned Japanese beverage brand; Kotex, an American hygiene product brand, Siyanli; a prominent mainland beauty and spa chain; Breeze, a mainland toilet and hygiene paper brand and China Feihe, a leading dairy brand in China. The aggregate contract sum of the billboard and LED wall advertisement is approximately HK\$2.4 million in the fiscal year 2024/2025 so far.

In addition, as mentioned in the letter from the Board above, in late 2024, the Group has entered into two new marketing contracts with two different famous brands with an aggregate sum of approximately HK\$15 million. During the execution of one of it, supplemental marketing plans may arise, with an estimated contract value of HK\$4 million.

At the same time, the Group maintained its focus on large-scale cultural events and music concerts. A highlight during the fiscal year 2024/2025 was the concert at Changzhou Cultural Plaza, which created a vibrant atmosphere, boosting local tourism and fostering new business opportunities.

The DGDB Business

The research and development (“**R&D**”) of the DGDB Business has been conducted since 2020. The Group engaged an external third party with production facilities (the “**Production Facilities**”) to conduct the R&D and testing of the DGDB technology of the Group on different mineral ores. The Group collaborates with the above party by utilising its equipment, enhancing it with additional necessary facilities, and applying the Group’s specialised technical expertise including material analysis, density measurement, grinding, beneficiation and assessing the elemental composition of minerals. The Group sources the mineral ores (in raw form) including but not limited to ilmenite, magnetite and hematite which are usually directly purchased from mineral ores companies or raw material supplying companies. The Group will then apply its gamma ray DGDB technology to process the sourced mineral ores including drying, grinding and related operations by the Production Facilities. Part of the staff of the technical team of the Group is stationed at the Production Facilities for R&D and oversee operations and provide on-site expertise. After the beneficiation process, the Group will deliver or the customers will arrange collection of the beneficiated mineral ores.

By integrating the Group’s technical expertise to fine-tune and upgrade the Production Facilities, productivity in beneficiation is improved and aligned with the Group’s specific operational requirements. Despite the Group has developed expertise in achieving optimal beneficiation by analysing extensive data, exploring different combinations of facility configurations, and fine-tuning the application of technologies (including gamma ray), the Group has not applied for patents regarding the technology as it would require the disclosure of these detailed technical knowhow. It poses the risk of exposing proprietary processes. The Group may consider to apply for necessary patents for its technical knowhow depending on future business development needs in the future.

The Company has also collaborated with one of the leading Chinese steel and iron producers (the “**Steel Producer**”), which conducted extensive technical due diligence on the gamma ray DGDB technology, including inspections of the pilot test plant and conduct comprehensive feasibility study. The Steel Producer provided low-grade iron ore samples from its mines in Liaoning, China, and Australia, which were successfully beneficiated to iron concentrate with 65% contents and higher.

Following satisfactory feasibility studies, a cooperation agreement was signed in 2021 to establish a beneficiation plant at one of the Steel Producer’s iron mine in Liaoning. The agreement required the Group to contribute capital expenditure for the construction of production facilities on-site, after which the Group would earn a predetermined fee per ton for turning the Steel Producer’s low-grade iron ore into higher-quality iron concentrate.

By 2022 and 2023, the Group began collaborating with an Australian-based iron ore producer (the “**Iron Ore Producer**”). The Iron Ore Producer evaluated the use of the gamma ray DGDB technology to process its magnetite and hematite ores, providing samples and inspecting the pilot test plant in China to further refine DGDB technology for hematite and limonite iron ores. The results demonstrated that the technology could enhance ore quality, reduce operational costs, and meet stringent environmental standards to majority types of iron ores. In addition to iron ore processing, the Group explored tailings recycling, where DGDB technology was used to convert mining waste into raw materials for commercial concrete and cement production. To support its expansion, the Group established subsidiaries in Ningbo, Henan, and Liaoning and strengthened collaborations with local governments. The Group is also in negotiations with the Iron Ore Producer on potential long-term partnerships, including sourcing iron ore, building beneficiation plants in China or Australia, or integrating the technology into their production facilities. However, these potential cooperations will require the Group to bear certain part of facilities investment.

Both the Steel Producer and the Iron Ore Producer have recognised the Group’s gamma ray DGDB technology, the projects could proceed if the Group secures the necessary funding for investment.

For the year ended 31 March 2024, the DGDB Business has gradually transitioned from the investment phase to revenue generation, recording approximately HK\$5.6 million in revenue. The Group has expanded the application of DGDB technology to process new ore varieties, such as titaniferous iron ore and talc ore.

For the six months ended 30 September 2024, the DGDB segment generated approximately HK\$7.6 million in revenue. The Group has made significant advancements in DGDB technologies through collaboration with industry players in the iron ore and coal mine industries to accelerate commercialisation.

During the fiscal year 2024/2025, the Group deepened its collaborations with technology partners and expanded the application of DGDB technologies to new ore varieties, such as titaniferous iron ore and talc ore. This diversification has enabled the Group to capture new market opportunities while maintaining its leadership in the iron ore beneficiation sector.

A pivotal aspect of the Group’s strategy involves the development of mobile DGDB operations. This initiative includes the deployment of DGDB machineries in near-shore maritime environments, reducing the need for extensive land-based infrastructure. The flexibility of this mobile strategy significantly minimises infrastructure and transportation costs, while allowing the Group to efficiently access and utilise resources in underutilised locations. This innovative approach not only enhances operational efficiency but also aligns with the Group’s commitment to sustainable and cost-effective solutions.

On 8 December 2024, the Company, through its subsidiary Wealthy Link Resources Limited (“WLR”), entered into a cooperation agreement with Van Pacific Resources Ltd. (“VPR”) for an initial term of ten (10) years, to jointly develop and operate the coal mining resources of VPR located in southern Mongolia. The proposed scope of the cooperation between the parties includes: (i) WLR shall obtain an exclusive right in mining production including processing technology, transportation and selling of coal from the coal ore located in Mongolia owned by VPR through its subsidiary. The target is to gradually ramp up production to 2 million tons per year with an eventual aim of 5 million tons per year upon completion of railroad transportation; and (ii) VPR shall assist in custom clearance, transportation, sales channel development and client acquisitions. The entering into the cooperation agreement marks a significant step in the Company’s strategy to enhance its position in the mining processing technology sector. The collaboration aims to maximize the potential of coal resources in Mongolia and create synergies that will benefit both parties and their stakeholders.

VPR holds both the mining license and the power generation approval in Mongolia. The Group believes this business collaboration can fully utilise the competitive advantages of both the Group and VPR, substantially lower the cost of producing mining productions. The Group will further expand its DGDB technologies in the coal sector and develop its business opportunities in power generation, data centre and potentially cryptocurrency mining business. This initiative is expected to drive additional business growth, generated additional revenue and enhances the Group’s profitability, delivering long-term benefits to the Group and its Shareholders.

The DGDB Business focuses on advanced technologies for dry grinding and dry beneficiation of raw materials, particularly different types of ore such as coal. These technologies enhance productivity in the mining industry by improving the efficiency of ore processing and lowering production costs. They are especially beneficial in water-scarce regions where traditional wet beneficiation methods are not feasible. The Group leverages its proprietary technologies to provide innovative solutions that increase the calorific value of materials, reduce impurities such as sulphur, and optimise the usability of raw materials for industrial applications like power generation.

To support coal production and processing through DGDB technology, a substantial amount of electrical power is required at various stages of operation. Given Mongolia’s underdeveloped power grid and constrained electricity supply, the Group plans to establish a 5 MW pilot pithead coal power facility at the mining site with an estimated initial investment amount of approximately HK\$15,000,000. This facility will utilise processed coal for cost-effective energy generation, ensuring a stable power supply for its mining and the DGDB processing activities. The development of pithead power generation facilities is essential for sustaining the Company’s DGDB operations. Due to the abundant availability of coal and its low production costs, the electricity generated is expected to be competitive in pricing.

As disclosed on page I-3 of this prospectus, the Company has a proposed plan to conduct further fundraising of approximately HK\$50 million through the issuance of new shares, convertible bonds, and/or other financial instruments. However, as at the Latest Practicable Date, no concrete plan has been formulated. Subject to the progress and needs of the DGDB Business, a portion of the proceeds of the said proposed fundraising, if materialised, may be allocated to support its development. The Group may also consider deploying its internal financial resources, in whole or in part, to fund this business segment as appropriate.

In recent years, cryptocurrency mining has emerged as a rapidly expanding industry with high electricity demand, both for mining operations and cooling infrastructure. The cost-effective power generated from the pithead facilities at the coal mine site presents a potential future opportunity for cryptocurrency mining and data center development.

The Company is currently collaborating with various partners to evaluate the feasibility of these potential business segments following the successful commencement of coal mine processing. While the integration of power generation with digital infrastructure offers strategic advantages, the Company will conduct a thorough assessment of industry trends, regulatory frameworks, technological viability, and market demand before committing to large-scale development. Expansion into these sectors will be considered only when market conditions are favourable, and viable opportunities arise.

The expertise team of the DGDB Business includes but not limited to executive Director and chairman of the Company, chief engineer, project director, senior engineer and engineers, project managers and technical consultants. Part of them have decades of experiences in their respective fields and most of them have served the Group for almost 5 years.

Other Operations – Investment, Securities Trading and Tourism and Hospitality Business

In addition to its core business segments, the Group is actively monitoring market developments and is well-positioned to pursue suitable business opportunities in its operations and investments in the region as and when they arise.

Other Financial Information

Reference is made to the annual report of the Company for the year ended 31 March 2024 in which the auditor of the Company issued a disclaimer of opinion due to material uncertainties on the Company's ability to continue as going concern. In order to improve the cashflow of the Company, certain measures have been undertaken. On 11 April 2024, the Company entered into a settlement agreement with the relevant parties in relation to the issue of the Zifeng CB at the principal amount of RMB128,370,000 for settlement of liabilities. The Zifeng CB was subsequently issued on 23 October 2024.

The Group also had a plan to diversify the revenue base by exploring sales and distribution on consumer food and health beverage. Due to the tight financial resources of the Group, sales and distribution on consumer food and health beverages have not been commenced yet. However, the Company has expanded its Convergence Media Business to provide content promotion services to the customers by distributing contents on major social media platforms including Tencent (騰訊) and Kuaishou (快手). The Company has also explored to diversify the revenue base in its DGDB Business.

A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE LIABILITIES OF THE GROUP

The unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with paragraph 29 of Chapter 4 of the Listing Rules to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as if the Rights Issue had taken place on 30 September 2024.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 September 2024, as extracted from the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2024 dated 29 November 2024, and is adjusted for the effect of the Rights Issue as if the Rights issue had taken place on 30 September 2024.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 September 2024 or at any future dates immediately after the Rights Issue been completed.

Unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 September 2024	Net proceeds from the placing completed on 18 October 2024	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company after the completion of the placing and the Rights Issue	Unaudited consolidated net tangible liabilities per existing Share immediately after the completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible liabilities per adjusted share immediately after the completion of the placing and the Rights Issue
HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$ (Note 5)	HK\$ (Note 6)

Based on 428,763,076 Rights

Shares to be issued at the

Subscription Price of

HK\$0.40 per Rights Share

(363,152)

3,900

167,700

(191,552)

(3.35)

(0.36)

Notes:

- (1) The unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 September 2024 is calculated based on the consolidated net liabilities of the Group attributable to owners of the Company as at 30 September 2024 of approximately HK\$363,152,000 after deducting intangible assets and goodwill attributable to owners of the Company of approximately HK\$2,218,000 and HK\$5,216,000 respectively as at 30 September 2024, which is extracted from the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2024 dated 29 November 2024.
- (2) On 18 October 2024, the Company completed the placing in which 9,756,096 Shares were issued at placing price of HK\$0.41 per placing share. Net proceeds from the placing amounted to approximately HK\$3,900,000 (after deduction of commission and other relevant costs and expenses of the Placing).
- (3) The estimated net proceeds from the Rights Issue of approximately HK\$167,700,000 are based on 428,763,076 Rights Shares to be issued at the subscription price of HK\$0.40 per Rights Share, after the deduction of the estimated related expenses of approximately HK\$3,805,000.
- (4) The unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to the owners of the Company immediately after the completion of the placing and the Rights Issue represents the unaudited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 30 September 2024 plus the net proceeds from the placing as set out in Note 2 and the estimated net proceeds from the Rights Issue as set out in Note 3.
- (5) The calculation of the unaudited consolidated net tangible liabilities of the Group per Share attributable to owners of the Company as at 30 September 2024 after completion of the placing and before the completion of the Rights Issue is based on the unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 September 2024 of approximately HK\$363,152,000 as set out in Note 1 plus the net proceeds from the placing of approximately HK\$3,900,000 as set out in Note 2, divided by 107,190,769 Shares in issue immediately after completion of the placing.
- (6) The unaudited pro forma adjusted consolidated net tangible liabilities of the Group per Share attributable to owners of the Company as at 30 September 2024 immediately after completion of the placing and the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company immediately after the completion of the placing and the Rights Issue of approximately HK\$191,552,000 as set out in Note 4 divided by 535,953,845 shares which represents:

- (i) 107,190,769 Shares in issue before the Rights Issue; and
 - (ii) 428,763,076 Rights Shares to be issued, assuming that the Rights Issue had been completed on 30 September 2024.
- (7) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to the owners of the Company to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2024.

**B) INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****Forvis Mazars CPA Limited**

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2 May 2025

The Board of Directors
China Baoli Technologies Holdings Limited
Suites 3706-3708, 37/F
Dah Sing Financial Centre
248 Queen's Road East
Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Baoli Technologies Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors"). The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group as at 30 September 2024, and related notes as set out on pages II-1 to II-3 of Appendix II to the prospectus dated 2 May 2025 (the "Prospectus") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on page II-1 to II-3 of the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of four (4) rights shares for every one (1) existing share of the Company held by qualifying shareholders on the record date on a non-underwritten basis (the "Proposed Rights Issue") on the Group's unaudited consolidated net tangible liabilities attributable to owners of the Company as at 30 September 2024 as if the Proposed Rights Issue had taken place at 30 September 2024. As part of this process, information about the Group's consolidated financial position has been extracted by the Directors from the unaudited condensed consolidated financial statements for the six months ended 30 September 2024, on which an interim report has been published.

Directors' responsibility for the unaudited pro forma financial information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Reporting accountant's independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1 "*Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant's responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*" issued by the HKICPA. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at 30 September 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules

Yours faithfully,

Forvis Mazars CPA Limited
Certified Public Accountants
Hong Kong

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the completion of the Rights Issue (assuming no change in the number of Shares in issue and full subscription under the Rights Issue) are as follows:

(i) As at the Latest Practicable Date:

<i>Authorised:</i>		<i>HK\$</i>
<u>65,000,000,000</u>	Shares of HK\$0.01 each	<u>650,000,000</u>
<i>Issued and fully-paid:</i>		<i>HK\$</i>
<u>107,190,769</u>	Shares of HK\$0.01 each	<u>1,071,907.69</u>

(ii) Immediately after the completion of the Rights Issue (assuming no change in the number of Shares in issue and full subscription under the Rights Issue):

<i>Authorised:</i>		<i>HK\$</i>
<u>65,000,000,000</u>	Shares of HK\$0.01 each	<u>650,000,000</u>
<i>Issued and fully-paid:</i>		<i>HK\$</i>
<u>107,190,769</u>	Shares of HK\$0.01 each	<u>1,071,907.69</u>
<u>428,763,076</u>	Rights Shares to be allotted and issued	<u>4,287,630.76</u>
<u>535,953,845</u>	Total	<u>5,359,538.45</u>

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares then in issue, including the rights to receive all future dividends and other distributions which may be declared, made or paid with a record date which falls on or after the date of allotment of the Rights Shares in their fully-paid form.

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be allotted and issued pursuant to the Rights Issue. The Rights Shares (in both nil-paid and fully-paid forms) will be traded in the board lots of 5,000 Shares. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, the Company has (i) outstanding convertible bonds with aggregate principal amount of HK\$180,259,603.96 with the conversion rights entitling the holders to convert such convertible bonds into 27,514,550 shares in total and (ii) outstanding 3,721,561 Share Options entitling the holders to subscribe for 3,721,561 Shares under the Share Option Scheme. Details of the above are set out in the paragraph headed “**POSSIBLE ADJUSTMENTS TO THE CONVERTIBLE BONDS AND SHARE OPTIONS**” under the Letter from the Board.

3. SHARE OPTION SCHEME

As at the Latest Practicable Date, the Company had outstanding Share Options granted under the Share Option Scheme carrying rights for the holders thereof to subscribe for an aggregate of 3,721,561 Shares, details of which are set out below:

Name or category of participant	Number of Share Options as at the Latest Practicable Date	Date of grant	Exercise price per Share (HK\$)	Exercisable period
Directors				
Zhang Yi	372,156	9 December 2021	3.39	9 December 2021 to 8 December 2026 (both days inclusive)
Chu Wei Ning	372,156	9 December 2021	3.39	9 December 2021 to 8 December 2026 (both days inclusive)
Lam Sze Man	186,078	9 December 2021	3.39	9 December 2021 to 8 December 2026 (both days inclusive)
Employees	2,009,643	9 December 2021	3.39	9 December 2021 to 8 December 2026 (both days inclusive)
Consultants	781,528	9 December 2021	3.39	9 December 2021 to 8 December 2026 (both days inclusive)
Total	<u>3,721,561</u>			

Save for the above, as at the Latest Practicable Date, the Company had no other outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date.

4. DISCLOSURE OF INTERESTS

(i) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Appendix C3 to the Listing Rules (the “**Model Code**”) were as follows:

(a) Long position in Shares and underlying Shares

Name of Directors	Capacity/Nature of interest	Number of Shares held	Number of underlying Shares held <small>(Note 1)</small>	Approximate percentage of issued share capital of the Company <small>(Note 3)</small>
Mr. Wang Bin	Interest in controlled corporation <small>(Note 1)</small>		10,335,917	9.6425%
Mr. Zhang Yi	Interest in controlled corporation <small>(Note 2)</small>	2,153,475		2.0090%
	Beneficial owner	800		0.0008%
	Sub-total	2,154,275		2.0098%
Ms. Chu Wei Ning	Beneficial owner	300,000		0.2799%
Ms. Lam Sze Man	Beneficial owner	5,000		0.0047%
Mr. Chan Kee Huen, Michael	Beneficial owner	250		0.0002%

Notes:

1. These underlying Shares may be issued upon the exercise of the conversion rights attached to the convertible bonds in the principal amount of RMB20,000,000 by the Company to Hong Fu (HF) Holdings Group Limited pursuant to the subscription agreement dated 29 March 2023. Hong Fu (HF) Holdings Group Limited is ultimately owned by Mr. Wang Bin as to 85.05%.
2. These Shares are held by One Faith Investments Limited, which is beneficially and wholly owned by Mr. Zhang Yi.
3. Based on the number of issued Shares of 107,190,769 as at the Latest Practicable Date.

(b) Share Options

Name of Directors	Date of grant	Exercise price	Exercisable period	Number of outstanding share options
Mr. Zhang Yi	9 December 2021	HK\$3.39 per Share	9 December 2021 to 8 December 2026 (both days inclusive)	372,156
Ms. Chu Wei Ning	9 December 2021	HK\$3.39 per Share	9 December 2021 to 8 December 2026 (both days inclusive)	372,156
Ms. Lam Sze Man	9 December 2021	HK\$3.39 per Share	9 December 2021 to 8 December 2026 (both days inclusive)	186,078

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(ii) Interests of substantial Shareholders

So far as the Directors are aware of, as at the Latest Practicable Date, there was no person, other than the Directors or chief executive of the Company, who had any interests or short position in the Shares or underlying Shares which would fall to be disclosed under Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

5. DIRECTORS' INTERESTS IN CONTRACT AND ASSET

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2024, being the date to which the latest published audited consolidated accounts of the Group were made up.

There was no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

7. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any of their respective close associates (as defined in the Listing Rules) has any interest in any business that competes or may compete, either directly or indirectly, with the business of the Group.

8. MATERIAL LITIGATION

- (i) On 20 August 2013, the Company entered into a placing agreement (the “**2013 Placing Agreement**”) with a placing agent (the “**2013 Placing Agent**”), pursuant to which the Company agreed to place, through the 2013 Placing Agent, on a best effort basis, the placing notes up to an aggregate amount of HK\$300,000,000 to be issued by the Company in the denomination of HK\$2,000,000 each (the “**Placing Notes**”) to independent third parties. Pursuant to the 2013 Placing Agreement, the Placing Notes carry interest at 5.0% per annum and are to be redeemed on the seventh anniversary from the respective issue dates of the Placing Notes. One creditor purportedly a beneficial owner of the 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 the Placing Notes have not commenced any court action against the Company. Such creditor’s alleged debt amount includes the principal of HK\$10 million and outstanding interest of HK\$1.26 million. On 16 March 2020, the 2013 Placing Agent was added by such creditor as the second defendant in an amended writ of summons and an amended statement of claim. On 4 December 2020, the Company filed and served a writ of summons and a statement of claim against the 2013 Placing Agent. A mediation conference was held on 13 September 2021 and the mediation ended without agreement. On 31 January 2022, the Court of First Instance of the High Court of Hong Kong (the “**Court**”) granted an order that the aforesaid two court actions be heard and tried together at the same time or one after the other as to be directed by the trial judge. On 20 June 2022, the Company filed and served its re-amended defence and counterclaim under one court action and its re-amended statement of claim and writ of summons under another court action. On 8 February 2023, the Court issued an order that the case management summons conference hearing in the aforesaid two actions which was held on 11 July 2023 and adjourned to 18 December 2023. On 27 September 2023, the Company has taken out applications for expert directions and adducing supplemental witness statements. On 18 December 2023, the Court issued an order that a case management conference hearing which was held on 18 April 2024. On 18 April 2024, the Court issued an order that the creditor to set the case down within 42 days for a 12-day trial. Applications to set down for trial were filed and served on 13 May 2024 and 28 May 2024 respectively. The applications were approved by the Court on 7 June 2024. On 23 July 2024, the pre-trial hearing and the formal hearing for the aforesaid two court actions was now fixed by the Court on 27 November 2025 and 2 March 2026 to 17 March 2026 respectively.

The principal amount and the outstanding interest with total of HK\$14.21 million for disputes over the 2013 Placing Agreement have been reflected in the Group’s indebtedness position as at the Latest Practicable Date. There will not be any unexpected financial impacts the litigation will have on the financial position of the Company.

- (ii) In July 2020, Hong Kong Made (Media) Limited (“**Hong Kong Made**”) and Ample Success Limited (“**Ample Success**”), both the indirectly wholly-owned subsidiaries of the Company, had entered into an agreement with a licensor (the “**Licensor**”) to obtain the advertising license rights for the period from 1 July 2019 to 30 June 2022 in connection with the Guangzhou-Shenzhen China Railway High-speed Harmony Series trains (the “**GSCR Hexiehao Trains**”) (the “**2019 Advertising License Rights Agreement**”) and were the exclusive agents in connection with the advertising agency services and related production services for GSCR Hexiehao Trains. In June 2021, the Group had entered into another agreement with the Licensor to extend the term of the advertising license rights for the period from 1 July 2022 to 30 June 2025 (the “**2021 Advertising License Rights Agreement**”). In September 2022, the Group was in dispute with the Licensor on certain terms of the 2021 Advertising License Rights Agreement and the Group, as plaintiff, lodged legal proceeding against the Licensor (the “**Defendant**”) in Guangzhou Nansha People’s Court, (the “**Nansha Court**”) in respect of the breach of the 2021 Advertising License Rights Agreement for (i) rescinding the 2021 Advertising License Rights Agreement; (ii) refund of deposit paid of RMB5,300,000 (equivalent to HK\$6,045,000); (iii) refund of over-charged license fees of RMB8,917,000 (equivalent to HK\$10,163,000); and (iv) other damages such as losses, interest and legal fees etc. (the “**2022 PRC Court Action**”). In December 2022, the Group lodged legal proceeding against the Defendant in the Court of First Instance of Hong Kong Special Administrative Region (the “**CFI of Hong Kong**”) for (i) rescinding the 2019 Advertising License Rights Agreement and the 2021 Advertising License Rights Agreement; (ii) returns of deposit paid of RMB5,300,000 (equivalent to HK\$6,045,000) (iii) refund of over-charged license fees of RMB15,533,000 (equivalent to HK\$17,716,000); and (iv) other damages such as losses, interest and legal fees etc. (the “**2022 Hong Kong Court Action**”). On 20 February 2023, the Defendant lodged a counterclaim against the Group in the Nansha Court (the “**Counterclaim**”) but the Counterclaim was subsequently revoked and approved by the Nansha Court on 13 June 2023. At the same date, the Nansha Court determined to dismiss the claim against the Defendant lodged by the Group on the basis that there is parallel litigation with certain overlapping issues between the aforesaid claims lodged in the Nansha Court and in the CFI of Hong Kong.

On 20 June 2023, the Group submitted an amendment on its writ of summons and statement of claim to the CFI of Hong Kong for (i) rescinding the 2019 Advertising License Rights Agreement; (ii) refund of overcharged license fees of RMB12,468,000 (equivalent to HK\$13,502,000); and (iii) other damages such as losses, interest and legal fees etc. (the “**2023 Hong Kong Court Action**”).

On 13 July 2023, the Group lodged another legal proceeding against the Defendant in the Nansha Court in relation to the 2021 Advertising License Rights Agreement for (i) rescinding the 2021 Advertising License Rights Agreement; (ii) refund of deposit paid of RMB5,300,000 (equivalent to HK\$5,739,000); (iii) refund of overcharged license fees of RMB8,917,000 (equivalent to HK\$9,656,000); and (iv) other damages such as losses, interest and legal fees etc. (the “**2023 PRC Court Action**”). The Defendant lodged objections on 26 September 2023 and the Group has lodged statement of defence and supplemental statement of defence on 12 October 2023 and 24 November 2023 respectively. On 12 December 2023, the Nansha Court determined to dismiss the 2023 PRC Court Action. The Group lodged an appeal to Guangzhou Intermediate People’s Court (the “**Guangzhou Court**”) on 3 January 2024 (the “**Appeal**”) and was accepted by the Guangzhou Court on 6 March 2024. On 16 July 2024, the Guangzhou Court affirmed the original judgement made by the Nansha Court on 12 December 2023.

Up to the Latest Practicable Date, the CFI of Hong Kong has not issued any judgement in relation to the 2023 Hong Kong Court Action and the Company has considered to take further legal actions in the PRC. The claims lodged by the Group in respect of the over-charged license fees and other damages had not been recognised as contingent assets as it is considered the outcome of the legal proceedings is uncertain as at the Latest Practicable Date.

As at the Latest Practicable Date, save as disclosed above, neither the Company nor any member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any member of the Group.

9. MATERIAL CONTRACTS

Save for the following, there were no material contracts (not being contract entered into in the ordinary course of business) which had been entered into by any members of the Group within two years immediately preceding the Latest Practicable Date and are or may be material:

- (i) the settlement agreement dated 11 April 2024 entered into between the Company, Chongqing Baoli Yota Technologies Limited* (重慶寶力優特科技有限公司) (“**CQ Baoli Yota**”) and Chongqing Zifeng Business Partnership (Limited Partnership)* (重慶市梓峰商貿合夥企業(有限合夥)) (“**CQ Zifeng**”), pursuant to which the Company, CQ Baoli Yota and CQ Zifeng have mutually confirmed that CQ Baoli Yota and the Company shall together repay CQ Zifeng the loan in the principal amount of RMB100,000,000 and the interests of RMB29,170,000, amounting to RMB129,170,000 in total (the “**Agreed Amount**”) and have mutually agreed to settle the Agreed Amount by, inter alia, the issue of the convertible bonds to CQ Zifeng (the “**Zifeng CB**”). In the case of the conversion rights having been exercised in full, a total number of 11,678,635 conversion shares, representing approximately 13.90% of the then total number of issued Shares, will be allotted and issued by the Company upon full conversion of the Zifeng CB at the initial conversion price of HK\$11.9024 per conversion share;
- (ii) the placing agreement dated 7 May 2024 (the “**2024 Placing Agreement**”) entered into between the Company and Leeds Securities Investment Limited (as placing agent) in relation to the placing of new shares under general mandate, on a best effort basis, of up to 16,803,334 placing shares, representing approximately 20.00% of the then issued share capital of the Company, 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;
- (iii) the first supplemental agreement to the 2024 Placing Agreement dated 28 May 2024 (the “**First Supplemental Agreement**”) entered into between the Company and Leeds Securities Investment Limited in relation to the extension of the completion date of the placing and the amendment of the placing price from HK\$1.030 to HK\$1.070;
- (iv) the second supplemental agreement to the 2024 Placing Agreement (as amended and supplemented by the First Supplemental Agreement) dated 11 June 2024 entered into between the Company and Leeds Securities Investment Limited in relation to the extension of the completion date of the placing;

- (v) four subscription agreements all dated 12 July 2024 entered into between the Company and four subscribers (namely Ms. Liao Xuan* (廖萱), Ms. Tang Yu* (唐瑜), Mr. Wu Zi Xi* (吳梓熙) and Ms. Huang Can Xin* (黃燦新)) in relation to the issuance of the convertible bonds in the aggregate principal amount of HK\$6,000,000, which may be converted into no more than 1,500,000 conversion shares, representing approximately 1.54% of the then total number of Shares in issue, based on the initial conversion price of HK\$4.00 per conversion share upon full conversion;
- (vi) four subscription agreements all dated 4 October 2024 entered into between the Company and four subscribers (namely Mr. Chan Kwai Hung, Ms. Zhou Xian Xian, Senfield International Limited and Silver Moon Consultancy Corporation) in relation to the allotment and issuance of a total of 9,756,096 new Shares, representing approximately 10.0130% of the then total number of issued Shares, under general mandate to the subscribers at the subscription price of HK\$0.410 per Share;
- (vii) the memorandum of understanding dated 17 November 2024 entered into between the Company and Van Pacific Resource Ltd. (“VPR”) to establish a long-term strategic cooperation in relation to the mining production in Mongolia with respect to VPR’s coal mine;
- (viii) the cooperation agreement dated 8 December 2024 entered into between Wealthy Link Resources Limited, a controlled subsidiary of the Group and VPR to jointly develop and operate the coal mining resources of VPR located in southern Mongolia;
- (ix) the Placing Agreement; and
- (x) the Supplemental Agreement.

10. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice contained in this Prospectus:

Name	Qualification
Forvis Mazars CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letters or reports and the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2024, being the date to which the latest published audited accounts of the Company were made up.

11. EXPENSES

The expenses in connection with the Rights Issue and the Placing, including financial advisory fees, placing commission, printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK\$3.8 million, which are payable by the Company.

12. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Company Secretary	Ms. Lam Sze Man
Authorised Representatives	Ms. Chu Wei Ning Ms. Lam Sze Man
Principal Banker	China CITIC Bank International Limited 61-65 Des Voeux Road, Central, Hong Kong
Legal Adviser to the Company as to the Companies Act	Conyers Dill & Pearman 29th Floor, One Exchange Square 8 Connaught Place Central, Hong Kong
Auditors and reporting accountant	Forvis Mazars CPA Limited Certified Public Accountants, Hong Kong Registered Public Interest Entity Auditor, Hong Kong 42nd Floor, Central Plaza 18 Harbour Road Wanchai, Hong Kong
Registered Office	Clarendon House 2 Church Street Hamilton HM11 Bermuda

Principal Place of Business in Hong Kong	Suites 3706–08, 37th Floor Dah Sing Financial Centre 248 Queen's Road East Wanchai Hong Kong
Bermuda Principal Share Registrar and Transfer Office	Appleby Global Corporate Services (Bermuda) Limited Canon's Court, 22 Victoria Street, PO Box HM 1179, Hamilton HM EX, Bermuda
Hong Kong Branch Share Registrar and Transfer Office	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Legal adviser to the Company as to the Rights Issue	Khoo & Co. Suite 3902, Central Plaza 18 Harbour Road Wanchai, Hong Kong

13. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors:

Mr. Wang Bin, aged 46, was appointed as an executive Director on 7 July 2023. Mr. Wang is also the chairman of the Board. He obtained his undergraduate degree in human resource management from Shenzhen University in the PRC in January 2024, and completed the advanced management programme provided by China Europe International Business School in the PRC in March 2019. Mr. Wang has over 10 years' corporate management experience including strategic planning and business development in the commercial concrete and coal chemical processing industry, and he has also engaged in various business relating to the commercial concrete industry including the production research and sales of commercial concrete, commercial concrete admixtures and associated chemicals such as polyether monomers in the PRC and Southeast Asia. Mr. Wang is also involved in the PRC real estate development and construction materials business.

Mr. Zhang Yi, aged 52, was appointed as an executive Director on 5 September 2016. Mr. Zhang is also the vice chairman of the Board. He graduated from Zhejiang University in 1994 with a major in Finance. Mr. Zhang has over 16 years of investment experience in the technology field, with the scope of investment spanning across various regions including Canada, the United States of America, Singapore, the Mainland China and Hong Kong. He is in particular familiar with the investment and operations of telecommunications and communications industries. Mr. Zhang has good relations with the telecommunications operators and has accumulated extensive local and overseas network in the industry. Mr. Zhang is currently the chairman of a private company in the Mainland China which was founded by Mr. Zhang in 2002. Under his leadership, the company has now developed into an enterprise with large investment scale and wide investment geographical range in real estates, biological medicine, new energy and media, etc. It has a number of projects including a large-scale urban complex with a gross area of over a million square meters in Shanghai, Hangzhou and Shenyang.

Ms. Chu Wei Ning, aged 52, was appointed as an executive Director on 8 July 2015. Ms. Chu is also the chief executive officer of the Company, an authorised representative of the Company and a director of various subsidiaries of the Group. She is currently responsible for the strategic investment and business development of the Company. Ms. Chu obtained a bachelor degree in Business Administration from the Chinese University of Hong Kong in May 1994 and a master degree of Business Administration from the University of Texas at Austin with Honors in May 1998. She has been a veteran investment banker and venture capital investment professional with over 16 years of experience. Prior to joining the Company, Ms. Chu has been a founding member and the managing director of a private investment fund which focus on investments in telecommunications, media, and technology. Previously, she also held various capacities in Bank of China International, Bear Stearns Asia Limited and Chase Manhattan Bank (which was subsequently acquired by JP Morgan). She is currently an independent non-executive director of Bosa Technology Holdings Limited (Stock Code: 8140) and Jimu Group Limited (Stock Code: 8187), both of which are listed on the GEM of the Stock Exchange.

Ms. Lam Sze Man, aged 42, was appointed as an executive Director and a company secretary on 3 October 2019 and 1 March 2024 respectively. Ms. Lam is a director of various subsidiaries of the Group. Ms. Lam obtained a degree of Bachelor of Arts in Accountancy from the Hong Kong Polytechnic University in 2005. She is a member of the Hong Kong Institute of Certified Public Accountants. She has around 15 years of working experience in accounting.

Independent Non-executive Directors:

Mr. Chan Fong Kong, Francis, aged 49, was appointed as an independent non-executive Director on 23 August 2018. He is also the chairman of the remuneration committee of the Company, and a member of the audit committee and nomination committee of the Company. He has over 15 years of experience in capital investment, assurance and consultancy services industry. Mr. Chan obtained a Bachelor's Degree in Commerce, majoring in Accounting and Finance from Deakin University (Melbourne, Australia) in 2000. He is a fellow member of CPA Australia. He is holding the position of director in a local consultancy firm. He is also currently a director of New Territories General Chamber of Commerce; a director, vice president and committee member of Care of Rehabilitated Offenders Association. He is also currently an independent non-executive director of Kwoon Chung Bus Holdings Limited (Stock code: 306), which is listed on the Stock Exchange. He was an independent non-executive director of e-Kong Group Limited (now known as Great Wall Belt & Road Holdings Limited) (Stock code: 524) from June 2015 to May 2017, China Best Group Holding Limited (Stock code: 370) from September 2014 to October 2016, Leyou Technologies Holdings Limited (formerly known as Sumpo Food Holdings Limited) (Stock code: 1089) from January 2015 to July 2015 and SingAsia Holdings Limited (Stock code: 8293) from February 2018 to March 2020, all of which are listed on the Stock Exchange.

Mr. Chan Kee Huen, Michael, aged 73, was appointed as an independent non-executive Director on 18 August 2017. He is also the chairman of the audit committee and nomination committee of the Company, and a member of the remuneration committee of the Company. He has over 35 years of experience in external audit, IT audit, training, accounting and finance, company secretarial and corporate administration, MIS management, internal audit, information security, risk management and compliance. Also, he is the chief executive of C&C Advisory Services Limited. Mr. Chan is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and a fellow member and specialist in Information Technology of CPA Australia. He was admitted as a certified information systems auditor with the Information Systems Audit and Control Association in 1985. Mr. Chan was an adjunct professor in the School of Accounting and Finance of The Hong Kong Polytechnic University from 2009 to 2014. Mr. Chan worked at CMG Life Assurance Limited (formerly known as Jardine CMG Life Assurance Limited) from 1991 to 1996 and his last position was general manager, compliance and corporate affairs. He was employed by Dao Heng Bank Limited in 1996 as the group auditor (which was subsequently acquired by DBS Bank (Hong Kong) Limited) and he ceased working for the bank in 2004 with his last position as managing director and head of compliance, Hong Kong and Greater China. Mr. Chan was also the group financial controller of Lam Soon (Hong Kong) Limited from 2004 to 2005, the director of quality assurance of the Hong Kong Institute of Certified Public Accountants in 2005 and the deputy general manager of the compliance department of Ping An Insurance (Group) Company of China, Limited from 2006 to 2009. Mr. Chan was an independent non-executive director of Sterling Group Holdings Limited (Stock Code: 1825), which is listed on the Stock Exchange, from September 2018 to August 2022. Also, Mr. Chan was an independent non-executive director of Sterling Group Holdings Limited (Stock Code: 1825) from September 2018 to August 2022, K.H. Group Holdings Limited (Stock Code: 1557) from February 2016 to August 2018, Lansen Pharmaceutical Holdings Limited (Stock Code: 503) from April 2010 to December 2023 and Huarong Investment Stock Corporation Limited (Stock Code: 2277) from June 2016 to November 2020, all of which are listed on the Stock Exchange. Mr. Chan graduated with a higher diploma in accountancy from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in November 1976 and was awarded the postgraduate diploma in business administration from the University of Surrey in March 1998.

Mr. Feng Man, aged 57, was appointed as an independent non-executive Director on 13 December 2019. He is also a member of the audit committee of the Company. Mr. Feng obtained a Bachelor degree in Civil Engineering from the Shanghai Institute of Railway Sciences, Shanghai in 1989, a Master degree in Geotechnical Engineering from China Academy of Railway Sciences, Beijing in 1992 and a Master degree in Geotechnical Engineering from the University of Saskatchewan, Canada in 1999. He is currently a Registered Professional Engineer in Canada. He has experience over a wide range of resource types (oil sands, iron, gold, uranium, copper, tin, etc.), with focus on iron mine development in the last 10 years and project experiences in Canada, China, Africa, South America, Mongolia, Australia, etc.. In addition, he has 25 years of mine infrastructure engineering and engineering management experience. He is currently the general manager of PeiSi Engineering Co. Ltd.

Senior Management:

Mr. Chen Han, aged 48, was appointed as the head of PRC media operations of the Group in 2019. Mr. Chen graduated from the Shanghai University, majoring in Microelectronics, Department of Physics. He has over 20 years of management experience in private investment industry, and participated in placing, mergers and acquisition activities of listed companies in Hong Kong and the PRC. His management experiences included large commercial complexes and recreational complex projects, such as the famous American FMCG, ARM & HAMMER. Mr. Chen is one of the founders of the W. EDGM e-sports club.

Mr. He Hao Yu, aged 38, is responsible for the development and management of the Group's multi-media technologies and convergence media business. He has over 10 years' working experience in media sales management, and deep understanding of online and offline integrated media marketing. His experience involves many multinational brand customers, including HSBC, Ping An Bank, China Merchants Bank, SAIC Volkswagen, BYD, Yonghe Hair Transplant, Feihe, etc., and he has received unanimous praise.

Mr. Shi Yong Bin, aged 58, is the chief engineer of the Group. He has extensive experience in research and development of construction materials and design of beneficiation plant. Mr. Shi is engaged in the research and development of the DGDB technologies using the magnetic theory. He builds up his reputation as a technology inventor in this regard by obtaining a series of national invention patents.

Before joining the Group, Mr. Shi was the design and research office director, the deputy director and the general manager of the new technology promotion center of Xinjiang Building Materials Research Institute* (新疆建材研究所), the chief engineer of Xinjiang Hejing Special Cement Plant* (新疆和靜特種水泥廠), the chairman of Qiewei Jintuo Cement Co., Ltd.* (且未金駝水泥有限責任公司) and Bazhou Xixigao Fine Ash Co., Ltd.* (巴州細細高細粉煤灰有限責任公司), the chief engineer and deputy general manager of Hami Heshengyuan Mining Co., Ltd.* (哈密合盛源礦業有限責任公司), and the chief engineer and general manager of Hami Taiyuan Mining Co., Ltd.* (哈密泰源礦業有限公司).

Mr. Zhang Chun Tao, aged 61, is responsible for the development and management of the Group's iron ore dry grinding and dry beneficiation business. He is the chairman of the Group's subsidiary, Shanghai Baoying Mining Limited* (上海寶盈礦業有限公司), and the chief executive officer of the Group's subsidiary, Liaoning Baoying Mining Technology Limited* (遼寧寶盈礦業技術有限公司).

Mr. Zhang has extensive experience in business management along with well establishment in different industries including mining, cement, agriculture and fruit juice. Mr. Zhang served as the factory director of Xinjiang Manas County Jade Mine* (新疆瑪納斯縣玉石礦), in relation to arts and crafts. He was also appointed as the chairman of the labour union and deputy mine manager. In addition, he worked as the general manager of Xinjiang Manas Livestock Products Company* (新疆瑪納斯畜產品總公司). Mr. Zhang also worked in Xinjiang Tunhe Co., Ltd.* (新疆屯河股份有限公司), as deputy branch factory director, general manager, administrative department head of the head office and assistant of general manager respectively. He was the President of Hami Heshengyuan Mining Co. Ltd.* (新疆哈密合盛源礦業有限責任公司).

14. BINDING EFFECT

This Prospectus, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable.

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed “**10. EXPERT AND CONSENT**” in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

16. DOCUMENTS ON DISPLAY

The following documents are available on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://www.aplushk.com/clients/00164chinabaoli/index.html>) for a period of 14 days from the date of this Prospectus.

- (i) the annual reports of the Company for the financial years ended 31 March 2022, 2023 and 2024 and the interim report of the Company for the six months ended 30 September 2024;
- (ii) the accountant’s report on the unaudited pro forma financial information of the Group issued by Forvis Mazars CPA Limited, the text of which is set out in Appendix II to this Prospectus;

- (iii) the material contracts referred to in the paragraph headed “9. MATERIAL CONTRACTS” in this appendix;
- (iv) the written consent from the expert as referred to in the paragraph headed “10. EXPERT AND CONSENT” in this appendix;
- (v) the Wang’s Undertaking; and
- (vi) the Prospectus Documents.

17. MISCELLANEOUS

- (i) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong;
- (ii) As at the Latest Practicable Date, the Company had no significant exposure to foreign exchange liabilities;
- (iii) The business address of all Directors and authorised representatives of the Company is Suites 3706–08, 37th Floor, Dah Sing Financial Centre, 248 Queen’s Road East, Wanchai, Hong Kong; and
- (iv) In the event of any inconsistency, the English texts of this Prospectus shall prevail over their respective Chinese text.