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China Baoli Technologies Holdings Limited

中國寶力科技控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 164)

UPDATE IN RELATION TO THE DISCLAIMER OF OPINION SET OUT IN THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

The board (the "**Board**") of directors (the "**Directors**") of China Baoli Technologies Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") would like to provide update in relation to the disclaimer of opinion relating to going concern (the "**Disclaimer of Opinion**") on the Group's consolidated financial statements for the year ended 31 March 2025 as set out in its annual report for the year ended 31 March 2025, which was published on 31 July 2025 (the "**Annual Report**"). Unless otherwise specified, capitalized terms used herein shall have the same meaning as defined in the Annual Report.

During the period from 31 July 2025, up to the date of this announcement, the following steps and measures have been implemented by the Group to improve its liquidity and financial position:

(i) The Company has completed the rights issue and the placing of new shares on 17 July 2025. The net proceeds from the rights issue and the placing (after deducting expenses) were approximately HK$71.6 million. Details are set out in (a) the Company's circular dated 28 March 2025; (b) the Company's prospectus dated 2 May 2025; and (c) the Company's announcements dated 16 April 2025, 21 May 2025, 5 June 2025, 4 July 2025, 9 July 2025 and 17 July 2025.

Further fund-raising exercises may be carried out by the Company as and when market conditions and business needs are appropriate. Additionally, the Company is actively exploring and identifying alternative sources of financing to strengthen its capital base.

(ii) The Company is still in active discussion with its creditors regarding the conversion of the Company's outstanding debts into equity of the Company. It is hoped that the Company and the creditors will reach agreements soon which can help improve the financial position of the Company. The Company will make appropriate

announcements in accordance with the Listing Rules requirements if any definitive agreement is reached with its creditors.

(iii) The Company has been negotiating with the holders of the convertible bonds (the "**CB Holders**" in principal amount of HK$12 million that matured on 29 August 2025, for the renewal and/or extension for repayment of existing convertible bonds or share conversion. The Company is currently proposing terms and conditions to the CB Holders and the negotiation is still ongoing as at the date of this announcement. The successful negotiation will help the Company to preserve the cashflow to meet the more imminent debt repayment.

(iv) The Company continues to uphold its convergence media business. The Group has secured additional collaboration with strategic partners on concert production, marketing and also advertising contracts with clients for content promotion on renowned online social platforms such as Tencent and Kuaishou, which would enable a shorter accounts receivable collection period. The Group can receive payments from clients more quickly after services are provided or even request the clients to pay deposit before providing services. It consequently ensure a more stable and predictable cashflow for the business.

(v) In relation to the dry grinding and dry beneficiation ("**DGDB**") business, the Group has commenced the initial development phase of coal mine processing operations in Mongolia. The Group has set up a Mongolian operating entity on July 2025. This local entity will serve as the main operational hub for the coal mine processing business. The Company has engaged consultants to conduct site inspections at the mine including but not limited to evaluation of the geological and operational conditions of the mines and gather data required for designing comprehensive business plan. In parallel, the Group is holding discussions with external contractors for mining production and transportation solution. The Group is also ready in procuring various processing equipment. The Company will continue to seek potential business partners and/or investors to collaborate in accelerating the development of coal mine processing operations and to explore the feasibility of other DGDB projects in Mongolia.

The Board will continue to use its best endeavours to implement the measures aimed at resolving the issues underlying the Disclaimer of Opinion and will publish further announcement(s) as and when appropriate.

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

Hong Kong, 31 August 2025

As of the date of this announcement, the executive directors are Mr. Wang Bin (Chairman), Mr. Zhang Yi (Vice Chairman), Ms. Chu Wei Ning (Chief Executive Officer) and Ms. Lam Sze Man; and the independent non-executive directors are Mr. Chan Fong Kong, Francis, Mr. Chan Kee Huen, Michael and Mr. Feng Man.