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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)

BUSINESS UPDATE PROPOSED FORMATION OF JOINT VENTURE

This announcement is made by China Baoli Technologies Holdings Limited (the “**Company**”) on a voluntary basis.

On 7 September 2016, the Company entered into a term sheet (the “**Term Sheet**”) with Coolpad Group Limited (a company listed on The Stock Exchange of Hong Kong Limited, stock code: 2369)(“**Coolpad**”) in relation to the proposed formation of a joint venture (“**Joint Venture**”) in Shenzhen, the People’s Republic of China (the “**PRC**”), whereby the Company (or one of its subsidiaries) and Coolpad (or one of its subsidiaries) intend to cooperate with each other to jointly develop dual screen mobile handsets in the PRC.

PRINCIPAL TERMS OF THE TERM SHEET

The Joint Venture will be principally engaged in the research and development, distribution and sale of dual screen mobile handsets in the PRC. The Company will assign approximately sixty full-time engineers and Coolpad will assign approximately two hundreds full-time engineers to the Joint Venture.

The Joint Venture shall be held as to 51% by the Company and 49% by Coolpad. The Joint Venture shall have a registered capital of RMB200,000,000, which shall be contributed in cash by installments by the Company and Coolpad in proportion to their respective shareholdings in the Joint Venture. The Joint Venture will be a subsidiary of the Company.

The amount of capital contributions was determined after arm's length negotiation between the parties to the Term Sheet with reference to the initial capital requirement of the Joint Venture and the capital contribution intentions of the parties.

The board of directors of the Joint Venture (“**Board**”) shall comprise four members, out of which two shall be appointed by the Company and two shall be appointed by Coolpad. The chairman of the Board shall be appointed by Coolpad.

INFORMATION ON THE COMPANY

The Company and its subsidiaries (the “**Group**”) are principally engaged in leisure-related business including tourism and hospitality business, mobile technologies business, property business, gamma ray irradiation service, resources business, and securities trading and investment. The Group has been actively looking for new investments and business opportunities in order to diversify its existing business with a view of achieving better growth potential and enhancing shareholders' return in the long run.

INFORMATION ON COOLPAD

Coolpad is a company incorporated in the Cayman Islands and is principally engaged in developing wireless telecommunications technological know-how in wireless telecommunications across multiple wireless telecommunications network standards and providing integrated solutions for smartphone sets, mobile data platform system, and value-added business operations.

REASONS FOR THE PROPOSED FORMATION OF THE JOINT VENTURE

Through its subsidiary, Coolpad is a leading developer and provider of integrated solutions for Coolpad 酷派 smartphone sets, mobile data platform system, and value-added business operations in the PRC. The Company believes that the proposed cooperation with Coolpad as contemplated under the Term Sheet represents an opportunity for the Group to leverage on the experience and expertise of Coolpad and expedite the development of the Group's mobile technologies businesses. Accordingly, the directors of the Company consider that the proposed formation of the Joint Venture if materialized will be in the interests of the Company and its shareholders as a whole.

The Term Sheet is non-legally binding in nature (save for provisions such as those on confidentiality, announcement, governing law, binding effect, and costs and expenses) and creates no legal obligations on either party. As at the date of this announcement, no definitive agreement in relation to the Joint Venture has been entered into by the Company. If the proposed formation of the Joint Venture materializes, the Company will comply with the applicable requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as and when appropriate in compliance with the Listing Rules.

Shareholders and potential investors of the Company should note that there is no assurance that the proposed formation of the Joint Venture and any transaction referred to in this announcement will be materialized, and shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 7 September 2016

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Yi (Chairman), Ms. Chu Wei Ning (Chief Executive Officer), Mr. Yeung Chun Wai, Anthony, Mr. Chen Domingo and Mr. Wong King Shiu, Daniel; and the independent non-executive directors of the Company are Mr. Wong Hoi Kuen, Mr. Chan Chi Yuen and Mr. Lee Chi Ming.