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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)

**RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) NEW SHARES
HELD ON THE RECORD DATE**

Underwriters to the Rights Issue



Reference is made to the prospectus of China Baoli Technologies Holdings Limited (the “**Company**”) dated 13 September 2021 (the “**Prospectus**”) in relation to the Rights Issue. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that all the conditions precedent set out in the Underwriting Agreement had been fulfilled and the Underwriting Agreement had not been terminated by the Underwriters prior to the Latest Time for Termination. Accordingly, the Underwriting Agreement and the Rights Issue became unconditional at 4:00 p.m. on Wednesday, 29 September 2021.

As at 4:00 p.m. on Tuesday, 28 September 2021, being the Latest Time for Acceptance, (i) a total of 14 valid acceptances of provisional allotments under the PALs had been received for a total of 10,179,094 Rights Shares, representing approximately 5.47% of the total number of 186,078,061 Rights Shares available for subscription under the Rights Issue; and (ii) a total of 12 valid applications for Excess Rights Shares under the EAFs had been received for a total of 6,660,711 Rights Shares, representing approximately 3.58% of the total number of 186,078,061 Rights Shares available for subscription under the Rights Issue.

In aggregate, 26 valid acceptances and applications in respect of a total of 16,839,805 Rights Shares under the PALs and the EAFs, representing approximately 9.05% of the total number of 186,078,061 Rights Shares available for subscription under the Rights Issue, had been received.

Based on the above results, the Rights Issue was under-subscribed by 169,238,256 Rights Shares, representing approximately 90.95% of the total number of 186,078,061 Rights Shares available for subscription under the Rights Issue.

EXCESS RIGHTS SHARES

As the Rights Shares were under-subscribed, all 12 valid excess applications have been accepted and a total of 6,660,711 Excess Rights Shares will be allotted and issued to the relevant applicants in full. Accordingly, no refund cheques for wholly and partially unsuccessful applications for Excess Rights Shares will be posted.

THE UNDERWRITING AGREEMENT

As a result of the under-subscription of the Rights Issue and in accordance with the terms of the Underwriting Agreement, the Underwriters, on a best effort basis, have procured subscribers to subscribe for 169,238,256 Rights Shares, representing approximately 90.95% of the total number of 186,078,061 Rights Shares available for subscription under the Rights Issue. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, all subscribers procured by the Underwriters are Independent Third Parties and each of the subscribers is not a party acting in concert with each other and none of the subscribers procured by the Underwriters hold 10% or more of the voting rights of the Company immediately after the Rights Issue.

After the subscribers' subscription procured by the Underwriters, the Rights Issue was finally fully subscribed. The details of the shareholding structure of the Company are shown in the section "SHAREHOLDING STRUCTURE OF THE COMPANY" below in this announcement.

USE OF PROCEEDS

The gross proceeds from the Rights Issue are approximately HK\$74.43 million and the net proceeds from the Rights Issue, after deducting professional fees and all other relevant expenses, are estimated to be approximately HK\$70 million. The Company will apply the net proceeds of the Rights Issue in accordance with the proposed use of proceeds as set out in the section headed “REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS” in the Prospectus.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the shareholding structure of the Company immediately before and after completion of the Rights Issue is set out below:

Shareholders	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Directors				
Zhang Yi (<i>Note 1</i>)	21,542,750	5.7886%	21,542,750	3.8591%
Lam Sze Man (<i>Note 2</i>)	27,750	0.0075%	27,750	0.0050%
Chu Wei Ning (<i>Note 2</i>)	3,000,000	0.8061%	3,000,000	0.5374%
Chan Kee Huen, Michael (<i>Note 2</i>)	2,500	0.0007%	2,500	0.0004%
Public Shareholders				
Subscribers procured by the Underwriters	–	–	169,238,256	30.3167%
Other public Shareholders	347,583,122	93.3971%	364,422,927	65.2814%
Total	372,156,122	100.0000%	558,234,183	100.0000%

Notes:

- 8,000 Shares are beneficially owned by Mr. Zhang Yi, an executive Director, and 21,534,750 Shares are beneficially owned by One Faith Investments Limited, which is beneficially and wholly owned by Mr. Zhang Yi.
- Ms. Lam Sze Man and Ms. Chu Wei Ning are executive Directors, and Mr. Chan Kee Huen, Michael is an independent non-executive Director.

SCALE-DOWN MECHANISMS OF THE RIGHTS ISSUE

As stated in the Prospectus, all applications for Rights Shares whether under the PAL(s) or the EAF(s), or by transferees of nil-paid Rights Shares, or by subscribers procured by the Underwriters (or either of them, whichever shall be appropriate) 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. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, after considering the allotment results of the Rights Issue, the Company is not aware of any applications for Rights Shares by any applicants which would result in either the incurring of an MGO Obligation or the non-compliance of the Public Float Requirement. Accordingly, the scaling-down mechanism has not been triggered and all the applications for Rights Shares are not required to be scaled-down by the Company.

DESPATCH OF SHARE CERTIFICATES

Share certificates for all fully-paid Rights Shares will be despatched to the relevant applicants by ordinary post, at their own risk, to their registered addresses on Thursday, 7 October 2021.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Friday, 8 October 2021.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots (if any) of the New Shares, the Company has appointed VC Brokerage Limited to stand in the market to match the purchase and sale of odd lots of the New Shares at the relevant market price, on a best effort basis. Holders of odd lots of the New Shares who wish to take advantage of this facility either to dispose of their odd lots of the New Shares or to top up to a full board lot may contact Mr. Leung at (852) 2913 6716 at 6/F, Centre Point, 181–185 Gloucester Road, Wanchai, Hong Kong during the period from 9:00 a.m. on Wednesday, 15 September 2021 to 4:00 p.m. on Friday, 29 October 2021, both days inclusive. Holders of the odd lots of the New Shares should note that the matching of the sale and purchase of odd lots of the New 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.

By order of the Board
China Baoli Technologies Holdings Limited
Zhang Yi
Chairman

Hong Kong, 6 October 2021

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