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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)

**GRANT OF AWARDED SHARES UNDER
THE SHARE AWARD SCHEME
AND
CONNECTED TRANSACTION
PROPOSED ISSUE OF NEW SHARES
TO CONNECTED PERSONS UNDER
THE SHARE AWARD SCHEME PURSUANT TO
SPECIFIC MANDATE**

On 26 January 2018, the Board has resolved to award an aggregate of 1,030,540,000 Awarded Shares to 38 Selected Employees under the Share Award Scheme, of which, (i) 126,840,000 Awarded Shares will be awarded to 29 Independent Selected Employees by way of issue and allotment of new Shares pursuant to the General Mandate; and (ii) 903,700,000 Connected Awarded Shares will be awarded to 9 Connected Selected Employees by way of issue and allotment of new Shares pursuant to the Specific Mandate.

As certain Selected Employees are connected persons of the Company, the issue and allotment of the Connected Awarded Shares to those Connected Selected Employees constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and shall be subject to the approval by the Independent Shareholders.

The SGM will be convened and held to consider, and if thought fit, approve the issue and allotment of the Connected Awarded Shares to the Connected Selected Employees and the Specific Mandate.

A circular containing, among others, further details of the issue and allotment of the Connected Awarded Shares and the Specific Mandate, the advice of an independent financial adviser to the Independent Shareholders in respect of the Connected Awarded Shares and the notice convening the SGM will be despatched to the Shareholders on or before 16 March 2018, as additional time is required for obtaining the letter of advice from the independent financial adviser.

References are made to the announcements of the Company dated 15 January 2018 and 19 January 2018 (the “**Announcements**”) in relation to the adoption of the Share Award Scheme. The Share Award Scheme does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules, and is a discretionary scheme of the Company. Unless otherwise stated, capitalised terms used herein bear the same meanings as defined in the Announcements.

DETAILS OF AWARD OF THE AWARDED SHARES

On 26 January 2018, the Board has resolved to award an aggregate of 1,030,540,000 Awarded Shares to 38 Selected Employees under the Share Award Scheme, of which, (i) 126,840,000 Awarded Shares will be awarded to 29 Selected Employees who, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are independent of the Company and connected persons of the Company (save as being employees of the members of the Group) (the “**Independent Selected Employees**”), by way of issue and allotment of new Shares pursuant to the general mandate (the “**General Mandate**”) granted by the Shareholders at the annual general meeting of the Company held on 26 September 2017 (the “**2017 AGM**”); and (ii) 903,700,000 Awarded Shares (the “**Connected Awarded Shares**”) will be awarded to 9 Selected Employees who are Directors and/or directors of certain subsidiaries of the Company (the “**Connected Selected Employees**”), subject to the approval by the independent Shareholders other than the Connected Selected Employees and their respective associates (the “**Independent Shareholders**”) at the forthcoming special general meeting of the Company (the “**SGM**”), by way of issue and allotment of new Shares pursuant to a specific mandate (the “**Specific Mandate**”) to be obtained from the Independent Shareholders at the SGM. Upon issue and allotment of the new Shares i.e. the Vesting Date, the independent Trustee will hold the new Shares in trust for the Selected Employees and such new Awarded Shares shall be transferred to the Selected Employees at no consideration immediately.

The aggregate of 1,030,540,000 Awarded Shares will be issued and allotted to the following Selected Employees:

1. Zhang Yi*
2. Chu Wei Ning*
3. Yeung Chun Wai, Anthony*
4. Wong King Shiu, Daniel*
5. Chan Chi Yuen*
6. Chan Kee Huen, Michael*
7. Wong Hoi Kuen*
8. Han Chunjian*
9. Xue Wei Sen*
10. Lam Sze Man
11. Luk Kei Ying Joyce
12. Yao Wei
13. Chui Wing Man
14. Mak, Melinda Kim
15. Mu Hao
16. Huang Huang
17. Arseniy Nikolaev
18. Sasha Gadzhymakhmudov
19. Sergey Motyrev
20. Mikhail Eroshkin
21. Jussi Niinikoski
22. Aleksey Shmakov
23. Sergey Fedoruk
24. Pavel Salomatov
25. Ilya Tolstov
26. Mikhail Sealitskiy
27. Maxim Denisov
28. Riku Mikkonen
29. Maxim Akristiniy
30. Timo Juntunen
31. Alla Ermicheva
32. Aleksey Kharitonov
33. Ruslan Karabugati
34. Irina Serkova
35. Vera Popovicheva
36. Oleg Shabanov
37. Timofey Rubchenko
38. Vadim Bashkurov

* *Connected Selected Employees*

As 9 Connected Selected Employees are Directors and/or directors of certain subsidiaries of the Company and accordingly connected persons of the Company, the issue and allotment of 903,700,000 Connected Awarded Shares to the Connected Selected Employees under the Share Award Scheme shall constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and shall be subject to, among others, the approval by the Independent Shareholders at the SGM.

The grant of Awarded Shares to Selected Employees who are Directors (including independent non-executive Directors) has been approved by all the members of the Remuneration Committee, comprising Mr. Chan Chi Yuen, Mr. Chan Kee Huen, Michael and Mr. Yeung Chun Wai, Anthony as at the date of the grant. The grant of Awarded Shares to a member of the Remuneration Committee has been approved by all of the other members of the Remuneration Committee.

All Directors have abstained from approving the relevant board resolution on the award of the Awarded Shares to them under the Share Award Scheme. Pursuant to Rule 13.39(6)(c) of the Listing Rules, in the event that all independent non-executive directors of an issuer have a material interest in the relevant transaction or arrangement, no independent board committee can be formed.

As all of the independent non-executive Directors are Selected Employees, the Company is of the view that each of the independent non-executive Directors is regarded as having a material interest in the issue of the new Awarded Shares under the Share Award Scheme. Accordingly, no independent board committee has been formed, but an independent financial adviser will be appointed to advise the Independent Shareholders in relation to the award of the Connected Awarded Shares to the Connected Selected Employees.

The aggregate of 1,030,540,000 new Awarded Shares to be issued and allotted by the Company to the Selected Employees represent approximately 2.99% of the total number of Shares in issue as at the date of this announcement and approximately 2.90% of the total number of Shares in issue as enlarged by the issue and allotment of the Awarded Shares (assuming no issue or buy back of Shares other than the issue of the Awarded Shares).

Based on the closing price of HK\$0.14 per Share as quoted on the Stock Exchange as at the date of this announcement, the market values of 126,840,000 Awarded Shares to the Independent Selected Employees and the 903,700,000 Connected Awarded Shares are HK\$17,757,600 and HK\$126,518,000, respectively.

The new Shares, when issued and fully paid, shall rank *pari passu* among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment.

Pursuant to the Share Award Scheme, the Board shall not make any further grant of Awards which will result in the nominal value of the Shares awarded by the Board under the Share Award Scheme exceeding 10% of the issued share capital of the Company from time to time. No Awards have been granted under the Share Award Scheme before the date of this announcement.

Pursuant to the General Mandate, the Company is authorised to issue up to 6,901,008,890 Shares (being 20% of the total number of the issued Shares as at the date of the 2017 AGM). No Shares have been issued under the General Mandate as at the date of this announcement.

Application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the aggregate of 1,030,540,000 Awarded Shares in due course.

CONDITIONS

The issue and allotment of 126,840,000 Awarded Shares to the Independent Selected Employees shall be subject to the grant of the listing approval by the Stock Exchange in respect of such Awarded Shares.

The issue and allotment of 903,700,000 Connected Awarded Shares to the Connected Selected Employees shall be subject to the following conditions:

- (a) the approval by the Independent Shareholders at the SGM in respect of the issue and allotment of the Connected Awarded Shares to the Connected Selected Employees and the Specific Mandate; and
- (b) the grant of the listing approval by the Stock Exchange in respect of the Connected Awarded Shares.

FURTHER DETAILS OF THE AWARDED SHARES

The information in relation to the issue and allotment of 1,030,540,000 new Awarded Shares to the Selected Employees is set out below:

- Securities to be issued: 1,030,540,000 new Shares, as to 126,840,000 Awarded Shares to be issued and allotted to the Independent Selected Employees and as to 903,700,000 Awarded Shares to be issued and allotted to the Connected Selected Employees
- Issue price: New Shares shall be issued and allotted to the independent Trustee at nominal value of HK\$0.01 each. The aggregate nominal value of the Awarded Shares is HK\$10,305,400
- Funds to be raised: The Selected Employees are not required to pay any consideration for the grant of the Awarded Shares. No fund will be raised by the Company as a result of the issue and allotment of the Awarded Shares
- Identity of the allottee(s): The Trustee, Bank of Communications Trustee Limited, who is, to the best knowledge, information and belief of the Directors, independent of the Company and connected persons of the Company, will hold the Awarded Shares in trust in accordance with the Trust Deed for the 38 Selected Employees, who are (i) Directors; (ii) employees of the members of the Group; and (iii) employees of Yota
- Vesting: All Awarded Shares shall vest upon the issue and allotment of the Awarded Shares. Upon issue and allotment of the new Shares (i.e. the Vesting Date), the independent Trustee will hold the new Shares in trust for the Selected Employees and such new Awarded Shares shall be transferred to the Selected Employees at no consideration immediately

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| Market price of the Shares: | <p>The closing price of the Shares as at 26 January 2018 as quoted on the Stock Exchange is HK\$0.14 per Share</p> <p>The average closing price of the Shares for the five consecutive trading days immediately preceding 26 January 2018 as quoted on the Stock Exchange is approximately HK\$0.14 per Share</p> |
| Lock-up undertaking: | <p>Twelve of the Selected Employees shall undertake to the Company that:</p> <p>From the issue date to the date falling six months after the issue date of the Awarded Shares (both dates inclusive) (the “First Six-month Period”), each of them shall not transfer or dispose of the Awarded Shares held by each of them</p> <p>From the day next immediately after the First Six-month Period to the date falling twelve months after the issue date of the Awarded Shares (both dates inclusive), each of them shall not transfer or dispose of 50% of the Awarded Shares held by each of them</p> |
| Fund raising activities in the past 12 months: | <p>Except for the issue of the first tranche consideration Shares of 976,744,186 Shares and the second tranche consideration Shares of 418,604,651 Shares under general mandate on 1 March 2017 and 8 May 2017 respectively to the vendor in connection with the acquisition of 75% equity interest in We Fly Travel Limited, and the issue of 552,500,000 placing Shares under general mandate on 27 March 2017, the Company has not engaged in any other fund raising activities by any issue of Shares in the past 12 months immediately preceding the date of this announcement</p> |

REASONS FOR THE AWARD OF THE AWARDED SHARES

The Group is principally engaged in mobile technologies business, leisure-related business including tourism and hospitality, gamma ray irradiation service, and securities trading and investment.

The Share Award Scheme forms part of the incentive schemes of the Group. The Board considers that the award of the Awarded Shares to the Selected Employees (including the Connected Awarded Shares to the Connected Selected Employees) recognises and rewards their contributions to the Group, and provides incentives to them and will allow the Group to retain talents for the continual operation and development of the Group.

Furthermore, there will not be any actual cash outflow by the Group under the award of the Awarded Shares to provide incentives to the Selected Employees. In this regard, the Directors consider that the terms and conditions of the Award are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL

An independent financial adviser will be appointed to advise the Independent Shareholders in relation to the award of the Connected Awarded Shares to the Connected Selected Employees.

The SGM will be convened and held to consider, and if thought fit, approve the issue and allotment of the Connected Awarded Shares to the Connected Selected Employees and the Specific Mandate. Connected Selected Employees and their respective associates are required to abstain from voting on the resolutions at the SGM.

A circular containing, among others, further details of the issue and allotment of the Connected Awarded Shares and the Specific Mandate, the advice of an independent financial adviser to the Independent Shareholders in respect of the Connected Awarded Shares and the notice convening the SGM will be despatched to the Shareholders on or before 16 March 2018, as additional time is required for obtaining the letter of advice from the independent financial adviser.

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

Hong Kong, 26 January 2018

As at the date of this announcement, the executive Directors are Mr. Zhang Yi (Chairman), Ms. Chu Wei Ning (Chief Executive Officer), Mr. Yeung Chun Wai, Anthony and Mr. Wong King Shiu, Daniel; and the independent non-executive Directors are Mr. Chan Chi Yuen, Mr. Chan Kee Huen, Michael, Mr. Han Chunjian and Mr. Wong Hoi Kuen.