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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)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025**

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of China Baoli Technologies Holdings Limited (the “**Company**”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 September 2025 together with the comparative figures for the corresponding period in 2024. The unaudited consolidated interim results for the six months ended 30 September 2025 have been reviewed by the Company’s audit committee.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2025

		Six months ended 30 September	
		2025	2024
		(Unaudited)	(Unaudited)
	Note	HK\$'000	HK\$'000
Revenue	4	14,748	14,630
Cost of revenue		<u>(12,609)</u>	<u>(11,962)</u>
Gross profit		2,139	2,668
Other income, gains and losses, net	5	82	2,846
Reversal of expected credit loss allowance, net		–	5,831
Selling and distribution expenses		–	(274)
Administrative expenses		(13,254)	(13,853)
Share of losses of associates		(2)	(8)
Finance costs		<u>(5,056)</u>	<u>(5,174)</u>
Loss before tax	6	(16,091)	(7,964)
Income tax (expenses)/credit	7	<u>(26)</u>	<u>2</u>
Loss for the period		<u>(16,117)</u>	<u>(7,962)</u>
Loss for the period attributable to:			
– Owners of the Company		(15,672)	(7,520)
– Non-controlling interests		<u>(445)</u>	<u>(442)</u>
		<u>(16,117)</u>	<u>(7,962)</u>
Loss per share:			
Basic and diluted	8	<u>HK\$(0.09)</u>	<u>HK\$(0.09)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the period	<u>(16,117)</u>	<u>(7,962)</u>
Other comprehensive income (loss)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange difference arising from translation of foreign operations	<u>1,083</u>	<u>(2,221)</u>
Other comprehensive income (loss) for the period, net of income tax	<u>1,083</u>	<u>(2,221)</u>
Total comprehensive loss for the period	<u><u>(15,034)</u></u>	<u><u>(10,183)</u></u>
Total comprehensive loss attributable to:		
– Owners of the Company	(14,149)	(9,338)
– Non-controlling interests	<u>(885)</u>	<u>(845)</u>
	<u><u>(15,034)</u></u>	<u><u>(10,183)</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
	Notes		
Non-current assets			
Property, plant and equipment		183	238
Right-of-use assets		2,488	332
Intangible assets		1,994	2,005
Derivative financial instruments		971	971
Interest in associates		253	255
		<u>5,889</u>	<u>3,801</u>
Current assets			
Inventories		–	2,390
Trade and other receivables	9	39,495	59,985
Bank balances and cash		63,244	7,542
		<u>102,739</u>	<u>69,917</u>
Current liabilities			
Trade and other payables	10	174,512	196,144
Lease liabilities		1,377	307
Contract liabilities		134	395
Tax payable		3,090	3,090
Borrowings		80,359	77,054
Liability component of convertible bonds		27,882	38,921
		<u>287,354</u>	<u>315,911</u>
Net current liabilities		<u>(184,615)</u>	<u>(245,994)</u>
Total assets less current liabilities		<u>(178,726)</u>	<u>(242,193)</u>

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Non-current liabilities		
Lease liabilities	1,132	–
Derivative financial instruments	360	360
Liability component of convertible bonds	124,123	118,262
	<u>125,615</u>	<u>118,622</u>
Net Liabilities	<u>(304,341)</u>	<u>(360,815)</u>
Capital and reserves		
Share capital	2,911	1,072
Reserves	(290,990)	(346,510)
	<u>(288,079)</u>	<u>(345,438)</u>
Equity attributable to owners of the Company	(288,079)	(345,438)
Non-controlling interests	(16,262)	(15,377)
	<u>(304,341)</u>	<u>(360,815)</u>
Total Deficits	<u>(304,341)</u>	<u>(360,815)</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2025

1. GENERAL INFORMATION

China Baoli Technologies Holdings Limited (the “**Company**”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business in Hong Kong is located at Suites 3706–08, 37/F., Dah Sing Financial Centre, 248 Queen’s Road East, Wanchai, Hong Kong.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries (together with the Company, collectively as the “**Group**”) are dry grinding and dry beneficiation business and convergence media business.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain financial assets and financial liabilities which are carried at fair value.

The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended 31 March 2025.

As at 30 September 2025, the Group’s current liabilities exceeded its current assets by approximately HK\$184,615,000 (31 March 2025: approximately HK\$245,994,000) and the Group had net liabilities of approximately HK\$304,341,000 (31 March 2025: approximately HK\$360,815,000), in which total borrowings and liability component of convertible bonds amounted to approximately HK\$232,364,000 (31 March 2025: approximately HK\$234,237,000), while its cash and cash equivalents amounted to approximately HK\$63,244,000 (31 March 2025: approximately HK\$7,542,000). These conditions indicate the existence of a material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern. In view of the above circumstances, the Directors have prepared a cash flow forecast of the Group and are satisfied that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for at least 12 months from 30 September 2025 after taking into account of the following measures (the “**Measures**”):

(i) Fund-raising activities

The Company completed the rights issue and the placing of new shares of the Company on 17 July 2025 with net proceeds of approximately HK\$71.6 million. The Group will continue to seek various fund-raising opportunities depending on the prevailing market conditions and the development of the Group's core businesses. In order to achieve the best interest of the Group and the shareholders of the Company (the "Shareholders") as a whole, the Group will seek the professional's advice from the financial advisors and consultants in conducting these fund-raising activities.

(ii) Loan capitalization

The Company has been actively negotiating loan capitalisation with various existing lenders. Completion of the loan capitalisation may be subject to, amongst others, the grant of listing approval of the issue of new shares by the Stock Exchange and approval by the Shareholders.

(iii) Loan term extension

The Group is in discussions with existing lenders to renew certain borrowings and/or defer immediate repayment until sufficient cash flows are secured.

(iv) Application of dry grinding and dry beneficiation technologies (the "DGDB Technologies") into iron and steel industries and also diversifying into other profitable industries

The Group is expanding the applications of the DGDB Technologies including but not limited to coal mine processing in Mongolia. It is expected that the profitability of the Group will be improved if the applications of the DGDB Technologies are successful.

(v) Cost control

The Group will continue to control administrative costs and unnecessary capital expenditures to preserve liquidity. The Group will also continue to actively assess additional measures to further reduce discretionary spending.

The Directors consider that, assuming the success of the above assumptions, plans and measures, the Group will have sufficient working capital to finance its operations and to meet its obligations as and when they fall due for at least 12 months from 30 September 2025. Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, since the execution of the above plans and measures is in progress, uncertainties exist as to whether the Group will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would also depend on its ability to generate adequate cash flows for its operation.

The consolidated financial statements do not include any adjustments that would result from the failure of the Group to obtain sufficient future funding. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to reduce the carrying amounts of the assets of the Group to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the annual financial statements of the Group for the year ended 31 March 2025 except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 April 2025:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

The Group has not applied any new or interpretation that is not yet effective for the current accounting period.

4. REVENUE AND SEGMENT INFORMATION

Information reported to the Board, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance, focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments under HKFRS 8 Operating Segments are as follows:

- (a) Dry grinding and dry beneficiation business – provision of dry grinding and dry beneficiation technologies.
- (b) Convergence media business – running a mobile and multi-media technologies via different media channels.

An analysis of the Group's revenue and contribution to operating results by business segments is presented as follows:

Segment results

For the six months ended 30 September 2025

	Dry grinding and dry beneficiation business (Unaudited) HK\$'000	Convergence media business (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Revenue	<u>2,186</u>	<u>12,562</u>	<u>14,748</u>
Segment results	<u>(1,830)</u>	<u>(4,081)</u>	<u>(5,911)</u>
Unallocated corporate income			82
Unallocated corporate expenses			(5,526)
Finance costs			<u>(4,736)</u>
Loss before tax			<u><u>(16,091)</u></u>

For the six months ended 30 September 2024

	Dry grinding and dry beneficiation business (Unaudited) HK\$'000	Convergence media business (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Revenue	<u>7,572</u>	<u>7,058</u>	<u>14,630</u>
Segment results	<u>(2,672)</u>	<u>(4,584)</u>	<u>(7,256)</u>
Unallocated corporate income			8,672
Unallocated corporate expenses			(5,837)
Share of losses of associates			(8)
Finance costs			<u>(3,535)</u>
Loss before tax			<u><u>(7,964)</u></u>

5. OTHER INCOME, GAINS AND LOSSES, NET

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Other income and gains (losses)		
Interest income from financial institutions	1	5
Gain on settlement	81	1,931
Others	–	910
	<u>82</u>	<u>2,846</u>

6. LOSS BEFORE TAXATION

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Development cost on dry grinding and dry beneficiation business included in administrative expenses	560	209
Depreciation of property, plant and equipment	16	16
Depreciation of right-of-use assets	494	669
Exchange loss, net	1,889	226
	<u>1,889</u>	<u>226</u>

7. TAXATION

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax – PRC	<u>26</u>	<u>(2)</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both six months ended 30 September 2025 and 2024. No provision for taxation in Hong Kong has been made for both six months ended 30 September 2025 and 2024 as the Group did not generate any assessable profits arising in Hong Kong.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries are 25% for both six months ended 30 September 2025 and 2024.

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(15,672)</u>	<u>(7,520)</u>
	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>182,544</u>	<u>87,362</u>

The computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for shares for the period ended 30 September 2025.

The computation of diluted loss per share for the six months ended 30 September 2025 does not assume the conversion of the subsidiary's outstanding convertible loan since their assumed exercise would result in a decrease in loss per share.

9. TRADE AND BILLS RECEIVABLES AND OTHER RECEIVABLES

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Trade receivables	2,277	28,004
Less: Allowance for credit losses	(952)	(3,904)
Trade receivables, net	1,325	24,100
Other receivables and deposits	35,553	33,381
Prepayments	5,622	5,509
	41,175	38,890
Less: Allowance for credit losses	(3,005)	(3,005)
Other receivables, prepayments and deposits, net	38,170	35,885
Trade and other receivables, net	39,495	59,985

The following is an aged analysis of trade and bills receivables net of allowance for credit losses, presented based on the invoice date, which approximates the respective revenue recognition dates:

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Up to 30 days	530	2,697
31 to 90 days	272	2,581
91 to 180 days	467	225
181 to 365 days	56	56
Over 365 days	–	18,541
	1,325	24,100

10. TRADE AND OTHER PAYABLES

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Trade payables	2,117	25,736
Other payables and accruals	23,527	23,883
Accrued staff costs	14,094	14,657
Amounts due to shareholders and directors	83,233	79,824
Amounts due to employees	13,735	13,735
Deposit received	17,640	17,640
Interest payable on other borrowings and bank borrowings	6,165	7,658
Interest payable on convertible bonds	1,247	1,007
Interest payable on placing notes	12,754	12,004
	<u>174,512</u>	<u>196,144</u>

The following is an aged analysis of trade payables presented based on the invoice date:

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Up to 30 days	2,006	5,436
31 to 90 days	25	603
91 to 180 days	78	165
181 to 365 days	8	8
Over 365 days	–	19,524
	<u>2,117</u>	<u>25,736</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The principal activity of the Company is investment holding, whilst its subsidiaries are principally engaged in the dry grinding and dry beneficiation (“**DGDB**”) business and convergence media business.

During the period ended 30 September 2025, the global economy operated in a mixed recovery environment amid lingering uncertainties. Technological advancements in areas like artificial intelligence and green energy have supported growth and productivity enhancements in multiple sectors. Meanwhile, persistent inflationary pressure and heightened geopolitical tensions continued to disrupt market stability.

In China, the economy faced structural headwinds, including challenging sentiment in the private sector, which constrained overall momentum and negatively impacted business activities and consumer demand. Despite these challenges, the economy has shown resilience through effective management of internal adjustments and external difficulties, while remaining committed to long-term sustainable development goals.

For the six months ended 30 September 2025, the Group reported revenue of approximately HK\$14,748,000, compared to HK\$14,630,000 in the same period last year. The revenue was primarily generated from the convergence media businesses and the titanium dioxide distribution. Gross profit for the period ended 30 September 2025 was HK\$2,139,000 (30 September 2024: HK\$2,668,000). The gross profit margin decreased by 19.8%, which was mainly contributed by the increased market competition in both business segments.

Dry Grinding and Dry Beneficiation Business

The DGDB business has solidified its position as a revenue-generating pillar, with sustained progress in commercialization and strategic market expansion.

Mongolia Coal Mining Processing Joint Venture

On 8 December 2024, the Company, through its subsidiary, Wealthy Link Resources Limited (“**WLR**”), entered into a ten-year cooperation agreement with Van Pacific Resources Ltd. (“**VPR**”) to jointly develop and operate the coal mining resources of VPR located in southern Mongolia. For the six months ended 30 September 2025, the project has achieved significant progress, with:

- Mining camp and supporting facilities including living quarters for workers completed.
- Critical infrastructure development including water supply, power supply, and telecommunications commissioned.
- Extensive test studies conducted with sample coal ore on processing equipment to complete the equipment and technology selection process.

- DGDB equipment and machinery currently in procurement and manufacturing preparation phase, with the Group actively advancing supplier selection, order placement, and production scheduling to ensure timely delivery and installation.

Revenue generation from the project is expected to commence following the completion and commissioning of the mining and DGDB equipment in the first half of 2026, marking a pivotal step in expanding the DGDB business into high-potential mineral-related sectors.

Titanium Dioxide Distribution Performance

For the six months ended 30 September 2025, the titanium dioxide distribution business in China recorded a revenue of approximately HK\$2,186,000, as compared to approximately HK\$11,348,000 for the six months ended 30 September 2024. The decrease was primarily driven by the strategic clearance of existing inventory. With the completion of this process, the Group will now strategically shift its focus and resources towards the higher-growth DGDB business to capture new market opportunities.

Future Diversification

The Group intends to leverage the Mongolia project's cost advantage to explore further opportunities:

- Power generation: utilize on-site pithead facilities to produce low-cost electricity.
- Capitalize on affordable power: enter into high-growth digital infrastructure segments such as data centers and cryptocurrency mining.

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.

During the period under review, the Group further expanded applications to iron ore mines across the globe, especially in water deprived environment to source potential cooperation opportunities. By advancing commercialization and achieving greater operational scale, the Group continued to mature and diversify its technology portfolio for both iron ore and coal processing, reinforcing market leadership in iron ore beneficiation while capturing new opportunities in the coal sector. This progress not only validates the Group's technological capabilities but also establishes an integrated operational model that combines traditional energy with digital assets, creating a flexible platform for sustained profitability.

Convergence Media Business

The convergence media business delivered strong growth in the first half of 2025, emerging as a driver of revenue stability. For the six months ended 30 September 2025, the convergence media business recorded a revenue of approximately HK\$12,562,000, compared to HK\$7,058,000 in the same period of 2024. This increase was primarily driven by the engagement in providing content promotion services to customers by distributing contents on major social media platforms which creates a more stable revenue stream to the Company.

Since 2024/25, the Group has expanded its service portfolio to include content marketing services to customers by creating and distributing contents on platforms like Tencent (騰訊) and Kuaishou (快手). Through these platforms, the Group tailors marketing strategies to match audience behaviors, ensuring optimal advertising performance and user involvement.

During the first half of financial year 2025/26, the Group maintained its strategic emphasis on the automotive industry. Our engagements encompassed a diverse portfolio of services for leading automobile brands, notably the Huawei-cooperated AITO H5 and Buick. These services included the orchestration of product launches, the execution of vehicle reviews, and the hosting of technical live-stream events. Furthermore, the Group provided comprehensive support in areas such as video creation, copywriting, print advertisement production, online presentation events, and social media marketing initiatives.

The Group is planning to expand its reach to deliver high-quality services to insurance clients. This diversification underscores the Group's versatile skill set and proven ability to adapt to evolving client needs, reducing reliance on a single sector.

Going forward, the Group will enhance service quality, fortify strategic collaborations, and drive innovation in converged media. These actions are designed to yield greater operational efficiency, more favorable cost structures, and a stronger competitive stance in the market, ultimately fostering long-term, sustainable growth.

BUSINESS MODEL AND BUSINESS STRATEGY

Diversification is the Group's core business strategy. The Group is committed to achieving long-term sustainable growth, preserving and enhancing the value of the Shareholders. The Group is focused on looking for attractive investment opportunities to strengthen and widen its business scope. The Group has maintained a prudent and disciplined financial management to ensure its sustainability.

PROSPECTS

Despite ongoing macroeconomic challenges, the Group maintains a cautiously optimistic outlook for the second half of 2025 and beyond, with a strategic focus on:

1. Mongolia Coal Mine Processing Project

The Group has completed preliminary preparatory work for the coal mine processing project, revenue generation expected in the first half of 2026.

2. DGDB Technologies Expansion

Leveraging existing operational resources in Mongolia and its proven DGDB technical expertise, the Group will assess feasibility of expanding its DGDB application scope to other iron ore mining projects. This expansion aims to address the global industry predicament, including reducing iron ore beneficiation costs, improving ore grade recovery rates, and meeting stringent environmental compliance requirements amid arid environment. By extending DGDB Technologies to iron ore, the Group seeks to replicate its technical success, broaden its DGDB application scope, and unlock new market opportunities in both domestic and international mineral resource markets.

3. Digital Infrastructure Integration

Following the Mongolia coal mine processing project's operationalization, the Group will collaborate with partners to evaluate development of data centers and cryptocurrency mining, leveraging low-cost pit-head power generation.

4. Convergence Media Growth

The Group will continue to enhance service quality through data-driven content optimization and deepen partnerships with automobile, insurance, and other sectors to sustain revenue momentum.

These initiatives reflect the Group's commitment to sustainable industrial practices supporting the steel and mining sectors in adopting environmentally sound production methods. Through these combined strategic efforts, the Group is confident in its ability to drive sustainable growth, improve operational efficiency, enhance profitability, and deliver long-term value to its Shareholders.

FINANCIAL REVIEW

During the period under review, the Group recorded a revenue of approximately HK\$14,748,000 (30 September 2024: approximately HK\$14,630,000), representing a change of approximately 0.8% compared with the previous corresponding period. The Group will continue to monitor the market closely and apply appropriate measures to increase its competitiveness and to improve the revenue level of the Group even in an uncertain economic environment. Loss for the period under review amounted to approximately HK\$16,117,000 (30 September 2024: approximately HK\$7,962,000). Loss attributable to owners of the Company for the period under review was approximately HK\$15,672,000 (30 September 2024: approximately HK\$7,520,000). As at 30 September 2025, the total assets and net liabilities of the Group were approximately HK\$109,599,000 and HK\$295,411,000 (31 March 2025: approximately HK\$73,718,000 and HK\$360,815,000) respectively.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2025, the Group had bank balances and cash of approximately HK\$63,244,000 (31 March 2025: approximately HK\$7,542,000), and the Group had total borrowings including liability component of convertible bonds of approximately HK\$223,853,000 (31 March 2025: approximately HK\$234,237,000), of which borrowings of 24.8% was in HK\$ and 75.2% was in Renminbi and of which borrowings within one year was HK\$105,591,000 (31 March 2025: HK\$115,975,000), accounting for approximately 47.2% (31 March 2025: 49.5%) of the total borrowings. The gearing ratio, being the ratio of the sum of total borrowings to total deficit, was 75.8% as at 30 September 2025 (31 March 2025: 64.9%). The liquidity ratio, being the ratio of current assets over current liabilities, was 36.4% as at 30 September 2025 (31 March 2025: 22.1%). The improved liquidity ratio was due to effective debt restructuring initiatives, including placing and negotiating debt settlements on favourable terms.

The Group's cash and cash equivalents were mainly denominated in RMB and the Group's borrowings were mainly denominated in RMB. As at 30 September 2025, the Group's other borrowings with fixed interest rates accounted for approximately 94.9% (31 March 2025: 96.5%) of total borrowings.

PLEDGE OF ASSETS

As at 31 March 2025 and 30 September 2025, the Group did not pledge any assets to secure the borrowings granted to the Group.

CAPITAL COMMITMENTS

As at 30 September 2025, the Group had capital commitments contracted for but not provided in the consolidated interim financial statements of approximately HK\$149,221,000 (31 March 2025: HK\$152,801,000).

CONTINGENT LIABILITIES

As at 30 September 2025, except those as disclosed in the section of “Litigations”, the Group had no other significant contingent liabilities.

EXPOSURE TO EXCHANGE RATE RISK AND INTEREST RATE RISK

During the period under review, the Group’s transactions were mainly denominated in Hong Kong dollars and Renminbi. The Group did not enter into any foreign exchange forward contract to hedge against exchange rates fluctuations during the period under review. Foreign exchange risk arising from the normal course of operations is considered to be minimal and the management will closely monitor the fluctuation in the currency and take appropriate actions when condition arises.

In terms of the interest rate risk exposures, the Group does not have any significant interest rate risk as the interest rates currently remain at low levels. As at 30 September 2025, the Group’s other borrowings with fixed interest rates accounted for approximately 94.9% of total borrowings.

EQUITY-LINKED AGREEMENTS

Rights Issue and Placing of Unsubscribed Rights Shares under Specific Mandate

On 18 February 2025, the Company proposed a rights issue (the “**Rights Issue**”) up to 428,763,076 rights shares (assuming no change in the number of shares in issue on or before the record date and full subscription under the Rights Issue) or 506,363,852 rights shares (assuming no change in the number of shares in issue on or before the record date other than full conversion of the convertible bonds in aggregate principal amount of HK\$12,000,000 under general mandate and convertible bonds in aggregate principal amount of RMB128,370,000 under specific mandate issued by the Company on 29 August 2022 and 23 October 2024 respectively, full exercise of the outstanding share options and full subscription under the Rights Issue) (the “**Rights Share(s)**”), to raise gross proceeds of up to HK\$171,505,000 or HK\$202,545,000 respectively at a subscription price of HK\$0.40 per Rights Share on the basis of four Rights Shares for every one existing share on a non-underwritten basis to the qualifying shareholders whose name appear on the register of members of the Company on 23 April 2025.

On 18 February 2025, the Company and a placing agent (the “**2025 Placing Agent**”) entered into a placing agreement (the “**2025 Placing Agreement**”), pursuant to which the Company conditionally agreed to appoint and the 2025 Placing Agent conditionally agreed to act as the placing agent for the Company to procure on a best basis not less than six placees to subscribe for the unsubscribed Right Shares (the “**2025 Placing**”). On 21 May 2025, the Company and the 2025 Placing Agent entered into a second supplemental agreement to extend the latest placing time to 6 June 2025. On 5 June 2025, the Company and the 2025 Placing Agent entered into a third supplemental agreement to further extend the latest placing time to 4 July 2025. Subsequently, as announced on 9 July 2025, the placing period was further extended to 14 July 2025 pursuant to a fourth supplemental agreement, with a revised expected timetable for the Rights Issue being published accordingly.

The Rights Issue and the 2025 Placing were completed on 17 July 2025. As of that date, the Company had received 16 valid acceptances and applications for a total of 6,736,954 Rights Shares, representing approximately 1.571% of the total Rights Shares available under the Rights Issue. Additionally, a total of 177,125,000 unsubscribed Rights Shares were successfully placed with not less than six placees at the placing price of HK\$0.40 per share, representing approximately 41.311% of the total Rights Shares available. For details regarding the Rights Issue and the 2025 Placing, please refer to the Company's circular dated 28 March 2025, the Company's prospectus dated 2 May 2025; and the Company's announcements dated 16 April 2025, 21 May 2025, 5 June 2025, 4 July 2025, 9 July 2025 and 17 July 2025.

Save for the share option scheme and share award scheme of the Company and the above agreements, no other equity linked-agreements were entered by the Group or existed during the period under review.

LITIGATIONS

- (i) On 20 August 2013, the Company entered into the placing agreement (the “**Placing Agreement**”) with the placing agent (the “**Placing Agent**”). Pursuant to the Placing Agreement, the placing notes (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 Placing Agent was added by such creditor as the second defendant in the Amended Writ of Summons and Amended Statement of Claim. On 4 December 2020, the Company filed and served a Writ of Summons and Statement of Claim against the 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 took 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 was to be held on 18 April 2024.

On 18 April 2024, the Court issued an order that such creditor 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 and approved by the Court on 7 June 2024. On 25 July 2024, a pre-trial review is scheduled to be heard on 27 November 2025 and a 12-day trial is reserved from 2 to 17 March 2026 to be tried by the Court for the aforesaid two court actions.

- (ii) In July 2020, Hong Kong Made (Media) Limited (“**Hong Kong Made**”) and Ample Success Limited (“**Ample Success**”) had entered into an agreement with the licensor (the “**Licensor**”) to obtain the advertising license rights for the period from 1 July 2019 to 30 June 2022 in connection with 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 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 proceedings 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 also lodged another legal proceedings 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) refund 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**”) for (i) the repayment of the outstanding license fee and the interest arose due to late payment of RMB18,960,000 (equivalent to HK\$21,626,000); (ii) confiscation of the deposit paid of RMB5,300,000 (equivalent to HK\$6,045,000); and (iii) other damages. On 13 June 2023, the Defendant revoked the Counterclaim. On the same date, the Nansha Court determined to cancel the 2022 PRC Court Action on the basis that there was parallel litigation with certain overlapping issues between the 2022 PRC Court Action and the 2022 Hong Kong Court Action (the “**Overlapping Jurisdiction Judgement**”).

On 20 June 2023, the Group submitted an amendment on its 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**”). Up to the date of the consolidated financial statements, the CFI of Hong Kong has not issued any judgement in relation to the 2023 Hong Kong Court Action. Up to the date of the consolidated financial statements, it is pending for the Group to lodge the application of scheduled hearing to the CFI of Hong Kong.

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 over charged 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**”). In September 2023, the Group lodged an application in Nansha Court to freeze the bank balances or seize or detain other assets under the name of the Defendant (the “**Application**”). The Application had been approved by the Nansha Court and the value of seized bank balance or other assets was insignificant.

In response to the Overlapping Jurisdiction Judgement determined by the Nansha Court in June 2023, the Defendant and the Group lodged objections on 26 September 2023, 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 judgement made by the Nansha Court on 12 December 2023 and determined to dismiss the Appeal.

In May 2025, the Group lodged another legal proceeding against the Defendant in the Luohe Municipal Yancheng District People’s Court (the “**Luohe Court**”) relevant to the 2021 Advertising License Rights Agreement with the same claim amounts as 2023 PRC Court Action and was accepted for filing by the Luohe Court on 13 May 2025 (the “**2025 Luohe Court Action**”).

Up to the date of the consolidated financial statements, the Luohe Court has not issued any judgement in relation to the 2025 Luohe Court Action.

Save as disclosed above, there were no other material litigations expected to result in a significant adverse effect on the financial position of the Group, either collectively or individually. Management believes that adequate provisions have been made in respect of such litigations.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 September 2025, the Group employed 58 employees (30 September 2024: 62). Staff costs (including Directors' emoluments) of the Group for the six months ended 30 September 2025 amounted to approximately HK\$5,199,000 (30 September 2024: HK\$5,380,000).

Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are reviewed periodically based on performance appraisal and other relevant factors. Staff benefits plans maintained by the Group include medical insurance, hospitalization scheme, mandatory provident fund, share option scheme and share award scheme. Employees in the PRC are remunerated according to the prevailing market conditions in the locations of their employments.

The emolument policy of the employees of the Group is set up by the Board on the basis of their merit, qualifications and competence. The emoluments of the Directors are decided by the Board, as authorized by the Shareholders at the annual general meetings of the Company, having regard to the Group's operating results, individual performance, time commitment, duty and responsibility, salaries paid by comparable companies, market conditions and desirability of performance-based remuneration.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2025 (30 September 2024: HK\$ Nil).

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

The Company held an annual general meeting on 30 September 2025 (the “AGM”). The Shareholders have approved the adoption of a new share award scheme and a new share option scheme (the “**New Share Schemes**”). Also, approval has been granted by the Shareholders to terminate the share option scheme adopted at the annual general meeting of the Company held on 30 September 2021 and the share award scheme of the Company adopted on 15 January 2018 with effect from the adoption of the New Share Schemes. For details, please refer to the circular dated 5 September 2025 and the announcement dated 30 September 2025.

The Company has granted a total number of 23,190,000 share options to the Directors and employees of the Group under the share option scheme adopted by the Company on 30 September 2025. Please refer to the announcement dated 7 November 2025 for details.

Save as disclosed above, there were no important events after the reporting period and up to the date of this announcement.

CORPORATE GOVERNANCE

Good corporate governance has always been recognised as vital to the Group's success and sustainable development. We commit ourselves to a high standard of corporate governance and have devoted considerable efforts in identifying and formulating corporate governance practices appropriate to the Company's needs.

The Company has put in place corporate governance practices to meet the code provisions (the "**Code Provision(s)**") as set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") (the "**CG Code**") that are considered to be relevant to the Group, and has complied with all of the Code Provisions for the time being in force throughout the period under review. The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the unaudited condensed consolidated interim financial statements of the Company for the six months ended 30 September 2025.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the period under review, the Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the "**Model Code**").

Having made specific enquiry, all Directors have confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions throughout the period under review and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 September 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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

Hong Kong, 27 November 2025

As at 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.

* The English translation of Chinese names or words are for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.