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HONBRIDGE HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8137)

PROFIT WARNING

This announcement is made by Honbridge Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

Results for the Year Ended 2019

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the currently available information which includes, but without limitation to, the unaudited management accounts of the Group, the Group is expected to record approximately HK\$340 million (over 40% increase) revenue for the year ended 31 December 2019 (“**Year Ended 2019**”) as compared to the approximately HK\$230 million revenue for the year ended 31 December 2018 (“**Year Ended 2018**”) because 2019 was the first full year of operation for Zhejiang Forever New Energy lithium-ion battery plant and orders from its major customers increased in the fourth quarter of 2019. In addition, increased in the fair value of the exploration and evaluation assets in relation to the Sul Americana de Metais S.A. (“**SAM**”) iron ore project is expected due to the decrease in discount rate adopted in the valuation model and increase in forecast selling price of the iron concentrate products which led to a significant reversal of impairment of exploration and evaluation assets for the Year Ended 2019. Nevertheless, as compared to the Year Ended 2018, the profit attributable to owners of the Company for the Year Ended 2019 is expected to decrease by more than 50%. It was mainly because of the significant decreased in reversal of

impairment of exploration and evaluation assets for the Year Ended 2019, as compared to Year Ended 2018 and a significant impairment on property, plant and equipment was expected for the Year Ended 2019 because of the downward adjustment in forecast sales amount in the lithium-ion battery business.

First quarterly results of 2020

Due to the impact of the novel coronavirus (COVID-19) pandemic, the business of the Group in the PRC was generally halted in February and the operation has only restored gradually in March. Based on the currently available information which includes, but without limitation to, the unaudited management accounts of the Group, it is expected that the revenue for the period ended 31 March 2020 will be decreased by more than 50% when compared to the last corresponding period. Putting employees' health as a priority, the Group is working to restore the business to normal.

The information contained in this announcement is based on a preliminary assessment made by the management of the Company on the unaudited management accounts and the information currently available. The information in this announcement has not been reviewed by the auditors of the Company or the audit committee of the Board and the actual results of the Group for the year may differ from the information disclosed herein.

Investors are advised to read the announcement expected to be released by the Company on 27 March 2020 in respect of the final results for the Year Ended 2019 and the quarterly results for the period ended 31 March 2020 expected to be released in mid-May 2020.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Honbridge Holdings Limited
YEUNG Ho Ming
Company Secretary

Hong Kong, 23 March 2020

As at the date of this announcement, the Board comprises Mr. He Xuechu, Mr. Liu Jian and Mr. Liu Wei,

William as executive directors; Mr. Ang Siu Lun, Lawrence and Mr. Yan Weimin as non-executive directors and Mr. Chan Chun Wai, Tony, Mr. Ma Gang and Mr. Ha Chun as independent non-executive directors.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.8137.hk.