

## 【Press Release】

### **Honbridge announced the Acquisition of 90.68% Interest of a Lithium Battery Company Geely International and Honbridge Major Shareholder Inject Lithium Battery Project into Honbridge**

(Hong Kong, 7 July, 2014) – Honbridge Holdings Limited (the “the Company”/ “Honbridge”) (SEHK: 8137) announced that the Company has agreed to acquire 90.68% interest of Triumphant Glory Investments Limited (“Triumphant Glory Investments”) from Geely International (Hong Kong) Limited (“Geely International”) (53%), Good Cheer Holdings Limited (“Good Cheer”) (35%) and Leads Top Limited (2.68%) for a consideration of HKD 635 million. This consideration will be paid by the allotment and issue of new Shares at an issue price of HKD1.48 per share. Since Mr. He Xuechu, the chairman of the board of directors of Honbridge, is holding 35% interest of Good Cheer, thus such acquisition is therefore a connected transaction under the GEM Listing Rule. The single asset of Triumphant Glory Investments is the holding of 100% interest of Shandong Forever New Energy Co. Ltd (“Shandong New Energy”).

Shandong New Energy is a high-tech enterprise specializing in R&D, production and sales of lithium battery. Founded in 2010, it began experimental production in June 2012, and mass production from late 2013. It is located in Zoucheng University Industrial Park of Jining City, Shandong, covering an area of 130,000 m<sup>2</sup>. The total investment for stage one is HKD 260 million, which consists of 70,000 m<sup>2</sup> factory and office facility area, a production line with an annual production capacity of approximately 150,000 kWh of lithium iron phosphate battery or approximately 225,000 kWh of ternary lithium battery, as well as basic facilities for future expansion. Following the Acquisition, depending on the production needs and funds available, the Group may consider to further expand the production capacity of Shandong New Energy by stages.

## 【Press Release】

The company currently produces five types of Lithium Battery cells, 10Ah, 20Ah, 50Ah, 66Ah, 100Ah, and single integrated Battery Management System (BMS) pack. The products apply primarily to electric vehicles and energy storage device. Up to now, Zhejiang Kandi Electric Vehicles Co., Ltd. (“Zhejiang Kandi”) is the main client of Shandong New Energy. Zhejiang Kandi, a jointly controlled company of Geely Automobile Holdings Limited (SEHK: 0175) and Kandi Technologies, Corp. (NASDAQ: KNDI), is currently an electric car manufacturer with the biggest sales volume in China, and is promoting an electric vehicle rental service (the “Mini Electric Car project”) in China now. In 2014, a purchase order of 12,000 packs worth approximately HKD 210 million has been placed to Shandong New Energy.

Shandong New Energy has innovative technology design, automated production facilities, and strict production management and inspection. Both the power density and energy density of its lithium battery cells reach world class standards. The cycle life is more than 3000 times according to 1C standard. It also solved the product’s consistency problems. The passing rate of finished products is over 97%.

Thanks to the global awareness of environmental protection and policies favouring new energy, there is an increasing number of automobile enterprises which start to expand the production scale of electric vehicles, including hybrid electric vehicle (HEV) and pure electric vehicle (PEV); and demand for power storage device have been increasing in more business sectors. Lithium battery cells which is the heart of power storage carrier and energy storage carrier of electric cars, have begun to face tremendous and sustained market demand. Previously, lithium battery production enterprises only received few purchase orders but now faced a serious insufficiency of production capacity.

## 【Press Release】

Honbridge has been continuously looking for investment and co-operation opportunities in new energy and resources sector. Shandong Forever New Energy, possess world leading techniques, has basic client base and is in initial stage of mass production. In the meantime, lithium battery industry is still growing. It is thus the best moment for acquisition.

The spokesperson of Honbridge says, “The acquisition of Lithium Battery project is a milestone to Honbridge Group in entering a new energy sector. The Group intends to look for and perform research on lithium battery related industries continuously. The overall business strategy of the Group is the dual development of new energy and resources, creating value for our shareholders.

*~End~*

**For enquiries:**  
Honbridge Holdings Limited  
Mr. Yeung Ho Ming, Alvin  
Tel: +852 2879 8888