

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



HONBRIDGE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8137)

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF SHARES AND LOANS OF TRIUMPHANT GLORY; AND RESUMPTION OF TRADING

THE ACQUISITION

Reference is made to the Company's announcement dated 28 May 2014 in relation to a possible acquisition of a company principally engaged in lithium battery research, production and sales in the PRC.

The Board is pleased to announce that on 2 July 2014 (after trading hours), the Company (as purchaser) and the Vendors entered into the Acquisition Agreement pursuant to which the Company conditionally agreed to acquire and accept the assignment of, and the Vendors conditionally agreed to sell and assign, the Sale Shares and the Sale Loan at the Consideration of HK\$634,760,000. The Consideration will be satisfied by the issue and allotment of 428,891,890 Consideration Shares at an issue price of HK\$1.48 per Consideration Share.

The Sale Shares represent 90.68% of the issued share capital of Triumphant Glory as at the date of this announcement. The principal asset of Triumphant Glory is its holding of the entire issued share capital in Shandong New Energy. The Sale Loan represents the aggregate amount owing by Triumphant Glory Group to Vendors, which amounts to approximately HK\$157,922,000.

GEM LISTING RULES IMPLICATIONS

The Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, Mr. He, being an executive Director and a controlling shareholder of Hong Bridge, owns 35% interest in Good Cheer. As such, Good Cheer is an associate of Mr. He and Good Cheer is a connected person of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Acquisition also constitutes a connected transaction for the Company and is subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

GENERAL

Pursuant to the GEM Listing Rules, the Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Chan Chun Wai, Tony, Mr. Fok Hon and Mr. Ma Gang, has been established to consider the terms of the Acquisition and the transactions contemplated thereunder, and to advise the Independent Shareholders as to whether they are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the members of the Independent Board Committee has any interest or involvement in the transactions contemplated under the Acquisition Agreement. The Independent Board Committee will form its view in respect of the terms of the Acquisition after obtaining and considering the advice from the Independent Financial Adviser.

The EGM will be convened to consider and approve the Acquisition Agreement. Pursuant to the GEM Listing Rules, by virtue of Mr. He's interest in Good Cheer, Mr. He and his associates (including Hong Bridge) are required to abstain from voting at the EGM to approve the Acquisition Agreement. To the best knowledge of the Directors, information and believe, certain shareholders (excluding Mr. He) of Good Cheer hold 78,642,000 Shares in aggregate (representing about 1.3% of the total number of issued Shares) as at the date of this Announcement. Such Shareholders has no relationship with the Company or Directors save for being Shareholders and they are not connected persons of the Company. By virtue of their interest in Good Cheer, such Shareholders and their respective associates are required to abstain from voting at the EGM to approve the Acquisition Agreement pursuant to the GEM Listing Rules. To the best knowledge of the Directors, information and believe, Mr. Li Shufu holds 90% equity interest in Zhejiang Geely which in turn holds 100% equity interest in Geely HK as at the date of this Announcement. By virtue of Mr. Li Shufu indirect beneficiary interest in Geely HK, Mr. Li Shufu and his associates are required to abstain from voting at the EGM to approve the Acquisition Agreement pursuant to the GEM Listing Rules. As at the date of this announcement, Mr. Li Shufu holds 106,064,000 Shares (representing approximately 1.7% of the total number of issued Shares) and Mr. Li Shufu is not a connected person of the Company.

A circular containing, among other things, (i) information on the Acquisition; (ii) the recommendation of the Independent Board Committee in respect of the Acquisition; (iii) the advice of the Independent Financial Adviser regarding the terms of the Acquisition; and (iv) other information as required under the GEM Listing Rules, together with the notice of the EGM, shall be despatched to the Shareholders. To allow sufficient time for the preparation of the circular (including the advice of the Independent Financial Adviser), it is expected that the circular would be despatched to the Shareholders on or before 29 August 2014.

RESUMPTION OF TRADING

Trading in the Shares has been suspended since 9:00 a.m. on 3 July 2014 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 7 July 2014.

Completion is subject to the satisfaction of the conditions precedent under the Acquisition Agreement and therefore, may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE ACQUISITION AGREEMENT

Reference is made to the Company's announcement dated 28 May 2014 in relation to a possible acquisition of a company principally engaged in lithium battery research, production and sales in the PRC.

The Board is pleased to announce that on 2 July 2014 (after trading hours), the Company and the Vendors entered into the Acquisition Agreement, pursuant to which the Company conditionally agreed to acquire and the Vendors conditionally agreed to sell the Sale Shares and Sale Loan at the Consideration of HK\$634,760,000.

The principal terms of the Acquisition Agreement are set out below:

Date

2 July 2014 (after trading hours)

Parties

Purchaser: the Company

Vendors: (1) Good Cheer;
(2) Geely HK; and
(3) Leads Top

As at the date of this announcement, Mr. He, being an executive Director, owns 35% interest in Good Cheer. As such, Good Cheer is an associate of Mr. He and is a connected person of the Company under Chapter 20 of the GEM Listing Rules. To the best knowledge of the Directors, information and believe, certain shareholders (excluding Mr. He) of Good Cheer hold 78,642,000 Shares in aggregate (representing about 1.3% of the total number of issued Shares) as at the date of this Announcement. Such Shareholders has no relationship with the Company or Directors save for being Shareholders and they are not connected persons of the Company.

As at the date of this announcement, Geely HK holds a principal amount of HK\$740,000,000 convertible notes of the Company with a conversion price of HK\$0.37 per conversion Share. Based on the Directors' knowledge, apart from the aforesaid convertible notes, Geely HK does not have any interests in the Company and hence, Geely HK is not a connected person to the Company under Chapter 20 of the GEM Listing Rules.

Leads Top is owned as to 25% by Geely HK and as to 75% by Independent Third Parties.

To the best knowledge of the Directors, information and believe, Good Cheer and Leads Top are principally engaged in investment holding; Geely HK is principally engaged in investment holding while its holding company, Zhejiang Geely is principally engaged in automobile manufacturing.

Assets to be acquired

The Sale Shares represent 90.68% of the issued share capital of Triumphant Glory as at the date of this announcement. The principal asset of Triumphant Glory is its holding of the entire issued share capital of Shandong New Energy. Upon Completion, Triumphant Glory will become a 90.68%-owned subsidiary of the Company, and the results of Triumphant Glory Group will be consolidated into the Group.

The Sale Loan represents the aggregate amount owing by Triumphant Glory Group to the Vendors as at the Completion Date. The amount of the Sale Loan as at the date of the Acquisition Agreement is approximately HK\$157,922,000.

Consideration

Pursuant to the Acquisition Agreement, the Consideration of HK\$634,760,000 shall be satisfied by the issue and allotment of a total of 428,891,890 Consideration Shares at an issue price of HK\$1.48 per Consideration Share to the Vendors or person(s) nominated by the relevant Vendor as follow:

| Vendors | Number of Sale Shares | Amount of Sale Loan HK\$ | Consideration HK\$ | Number of Consideration Shares to be issued to the respective Vendors (or their nominees) |
|----------------|----------------------------------|---|-------------------------------|--|
| Geely HK | 5,300 | 95,114,298 | 371,000,000 | 250,675,675 |
| Good Cheer | 3,500 | 62,807,702 | 245,000,000 | 165,540,540 |
| Leads Top | <u>268</u> | <u>—</u> | <u>18,760,000</u> | <u>12,675,675</u> |
| Total | <u>9,068</u> | <u>157,922,000</u> | <u>634,760,000</u> | <u>428,891,890</u> |

The original cost of investment of Good Cheer in the Triumphant Glory Group amounted to approximately HK\$95.8 million.

The Consideration was arrived at after arm's length negotiations between the Company and the Vendors and was determined after having taken into account, among other things, the business and prospects of Shandong New Energy and the prospects of lithium battery industry as further discussed in the paragraphs headed "Information on Shandong New Energy" and "Reasons for and benefits of the Acquisition" below.

Conditions Precedent

Completion shall be subject to and conditional upon the fulfillment of the following conditions (or the Company may waive the conditions precedent (except conditions precedent set out in paragraphs (a) which cannot be waived in any circumstance) in writing):

- (a) to obtain the necessary approvals from the Independent Shareholders, government and regulatory authorities (including PRC, Hong Kong and any other applicable regions);
- (b) the completion of due diligence by the Company and notify the Vendors in writing within three weeks after the date of the Acquisition Agreement on the satisfactory of the result; Such notice will not prejudice any claims for the breach of warranties and covenants from the Vendors; If the Company does not response within three weeks, it will be deemed as satisfied with the due diligence result;
- (c) to obtain a legal opinion of Triumphant Glory from the BVI lawyers appointed by the Company and a legal opinion of Shandong New Energy and the Acquisition from the PRC lawyers appointed by the Company in such substance to the satisfaction of the Company;
- (d) the warranty given by each of the Vendors in the Acquisition Agreement remains true and accurate, there be no event which causes material breach of obligations or warranty given by the Vendors; and
- (e) there is no material adverse change in the business, operation, financial status or prospects of Triumphant Glory Group from the date of the Acquisition Agreement.

In the event the conditions set out above are not fulfilled or waived on or before the Long Stop Date, or such other date as the Company and the Vendors may mutually agree in writing, the Acquisition Agreement shall be terminated. On termination, unless the conditions precedents are not fulfilled due to the breach from the Vendors, no party to the Acquisition Agreement shall raise any claims against another party. Any rights and obligations shall be null and void, save with respect to any antecedent breaches.

Completion

Completion shall take place on the 5th Business Day after the date on which all the conditions have been satisfied or waived or such other date as the Company and the Vendors may mutually agree in writing.

Undertaking from Vendors before Completion

The Vendors have undertaken to the Company that unless with the written consent of the Company, they will procure Triumphant Glory Group:

- (a) properly maintain the current business, comply with relevant laws, rules and regulations, retain of personnel and provide information to the Company if there is any material situation (including litigations, or any events which have or may have material adverse impact on the business, financial status, assets or operations of Triumphant Glory Group);
- (b) not to change capital structure, conduct financing activities or investments, amend constitutional documents, initiate winding up process, distribute profits or conduct any activities which may have material adverse impact on the current financial status and rights of Triumphant Glory Group; and not to adopt or approve any resolutions in shareholders meeting of Triumphant Glory Group except general matters in the annual general meeting or anything related to the Acquisition Agreement.

Undertaking from Geely HK upon Completion

Geely HK has undertaken to the Company that upon Completion or such other date as the Company and Geely HK may mutually agree in writing, Geely HK shall follow the instructions of the Company to:

- (a) procure the PRC subsidiary of Geely Group and/or other related third parties to transfer a part of Sale Loan of Geely HK, in the amount of HK\$46,977,275, to a designated subsidiary of the Company; or
- (b) provide the amount of HK\$46,977,275 to the Company without consideration in lieu of the transfer of loan as described in (a) above; until the said amount is provided by Geely HK, Shandong New Energy is not obligated to repay the part of Sale Loan of Geely HK as described.

The Consideration Shares

The Consideration would be satisfied by the Company's allotment and issue of the Consideration Shares to the Vendors at an issue price of HK\$1.48 per Consideration Share. The issue price of the Consideration Shares of HK\$1.48 represents:

- (i) the closing price of per Share on the Last Trading Day;
- (ii) a premium of approximately 3.5% over the average closing price of HK\$1.43 per Share for the last five trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 5.7% over the average closing price of HK\$1.40 per Share for the last ten trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 6.5% over the average closing price of HK\$1.39 per Share for the last thirty trading days up to and including the Last Trading Day; and
- (v) a premium of approximately 17.5% over the audited consolidated net assets value attributable to equity holders of the Company per Share of approximately HK\$1.26, calculated based on the Group's audited consolidated net asset value of HK\$7,811.5 million as at 31 December 2013 and 6,215,679,716 Shares in issue on 31 December 2013.

The 428,891,890 Consideration Shares represent approximately 6.9% of the issued share capital of the Company prior to the issue of the Consideration Shares and approximately 6.5% of the issued share capital of the Company as enlarged by the Consideration Shares.

The Consideration Shares shall at all times rank pari passu among themselves and with the Shares in issue as at the date of issue of the Consideration Shares. The Consideration Shares will be issued pursuant to a specific mandate to be sought at the EGM. The Company will make application to the Stock Exchange for the listing of and permission to deal in the Consideration Shares. There is no restriction which apply to the subsequent sale of the Consideration Shares.

Fund raising activities in the past twelve months

The Company had no equity fund raising activities in the past twelve (12) months immediately prior to the date of this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table summarised the shareholding structure of the Company (i) as at the date of this announcement; and (ii) after the allotment and issue of the Consideration Shares:

| Shareholders | As at the date of this announcement | | After the allotment and issue of the Consideration Shares | |
|----------------------------------|-------------------------------------|---------------|---|---------------|
| | No. of Shares | % | No. of Shares | % |
| Hong Bridge (<i>Note 1</i>) | 4,065,000,000 | 65.3 | 4,065,000,000 | 61.1 |
| Ms. Foo Yatyan (<i>Note 2</i>) | 22,460,000 | 0.4 | 22,460,000 | 0.3 |
| Mr. Li Shufu (<i>Note 3</i>) | 103,064,000 | 1.7 | 103,064,000 | 1.6 |
| Good Cheer | — | — | 165,540,540 | 2.5 |
| Geely HK (<i>Note 4</i>) | — | — | 250,675,675 | 3.8 |
| Leads Top | — | — | 12,675,675 | 0.2 |
| Other public Shareholders | <u>2,025,155,716</u> | <u>32.6</u> | <u>2,025,155,716</u> | <u>30.5</u> |
| Total | <u>6,215,679,716</u> | <u>100.00</u> | <u>6,644,571,606</u> | <u>100.00</u> |

Note 1: As at the date of this announcement, Mr. He is a controlling Shareholder and an executive Director, and holds 68% equity interest of Hong Bridge, and Mr. Li Xing Xing holds 32% equity interest of Hong Bridge.

Note 2: Ms. Foo Yatyan is the spouse of Mr. He.

Note 3: As at the date of this announcement, Mr. Li Shufu holds 90% equity interest of Zhejiang Geely, and Zhejiang Geely held the entire issued share capital of Geely HK.

Note 4: As at the date of this announcement, Geely HK holds HK\$740,000,000 convertible notes of the Company with a conversion price of HK\$0.37 per conversion Share.

INFORMATION ON TRIUMPHANT GLORY

Triumphant Glory is principally engaged in investment holding. As at the date of this announcement, the Triumphant Glory Group comprises Triumphant Glory and Shandong New Energy, and the principal asset of Triumphant Glory is its holding of the entire issued share capital of Shandong New Energy.

Upon Completion, Triumphant Glory will become a 90.68%-owned subsidiary of the Company while the remaining 9.32% of the equity interest in Triumphant Glory are owned by Leads Top. Following Completion, the profit and loss and assets and liabilities of the Triumphant Glory Group will be consolidated into the accounts of the Company.

INFORMATION ON SHANDONG NEW ENERGY

Shandong New Energy is a company established in 2010 in Zoucheng, Shandong Province, the PRC, principally engaged in lithium battery research, production and sales in the PRC. It commenced trial production in mid-2012 and mass production from late 2013.

Currently, the production plant of Shandong New Energy covers a total area of approximately 130,000 square meters and its current factory and office facilities covers an area of about 70,000 square meters. The current production capacity of Shandong New Energy amounts to 150,000 kWh of lithium iron phosphate battery or 225,000 kWh of ternary lithium battery annually. 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.

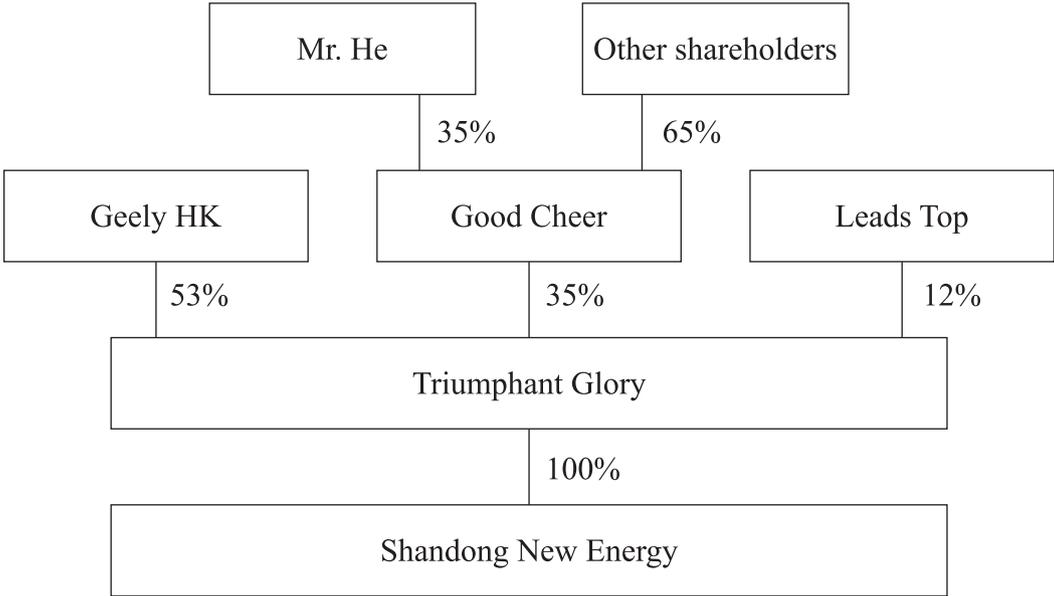
The products of Shandong New Energy mainly includes 10Ah, 20Ah, 50Ah, 66Ah and 100Ah lithium battery packs, and such products can be used in electric vehicle, or serve as electricity storage units in wind and solar power plants and power grids, power back up in communication base station and various kinds of mobile devices. According to Shandong New Energy, the production of Shandong New Energy has attained consistency with scrap rate of less than 3%, and the battery products of Shandong New Energy has reached international standard in terms of power density and life cycle.

Currently, the products of Shandong New Energy are mainly sold to Zhejiang Kandi for its production of electric and hybrid vehicles. Zhejiang Kandi is a joint venture company between the Geely Group and the Kandi Group, and Zhejiang Kandi is principally engaged in the investment, research and development, production, marketing and sales of electric vehicles in the PRC with the “KANDI” brand. According to Shandong New Energy, it has received purchase orders for about 12,000 power pack for the year ending 31 December 2014 with value of about RMB170 million. Apart from Zhejiang Kandi, Shandong New Energy’s products have also passed testing conducted by certain other automobile companies in the PRC and overseas.

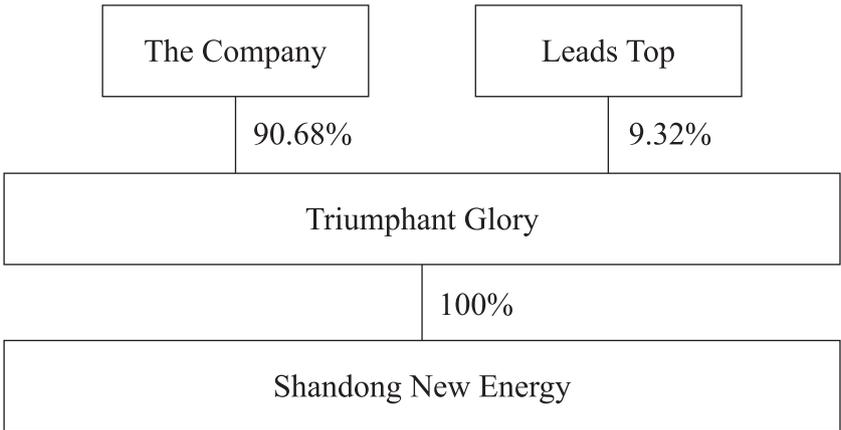
SHAREHOLDING STRUCTURE OF THE TRIUMPHANT GLORY GROUP

Set out below are the shareholding structure charts of the Triumphant Glory Group and Shandong New Energy (i) as at the date of this announcement; and (ii) immediately after Completion:

(i) As at the date of this announcement



(ii) Immediately after Completion



FINANCIAL INFORMATION ON THE TRIUMPHANT GLORY GROUP

Set out below is the key financial information on Triumphant Glory based on its unaudited financial statements prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants for the two years ended 31 December 2013.

| | For the year ended 31 December 2012 <i>HK\$'000</i> | For the year ended 31 December 2013 <i>HK\$'000</i> |
|----------------------|--|--|
| Revenue | — | — |
| Loss before taxation | 211 | 196 |
| Loss after taxation | 211 | 196 |
| | | As at 31 May 2014 <i>HK\$'000</i> |
| Net asset value | | (534) |

Set out below is the key financial information on Shandong New Energy based on its audited financial statements prepared in accordance with GAAP in the PRC for the two years ended 31 December 2013.

| | For the year ended 31 December 2012 <i>RMB'000</i> | For the year ended 31 December 2013 <i>RMB'000</i> |
|----------------------|---|---|
| Revenue | 267 | 18,181 |
| Loss before taxation | 5,876 | 9,041 |
| Loss after taxation | 5,876 | 3,488 |
| | | As at 31 May 2014 <i>RMB'000</i> |
| Net asset value | | 50,982 |

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in exploration and trading of mineral resources and the trading of commodity products. As disclosed in the Company's annual report for the year ended 31 December 2013, as part of the Group's on-going strategy, the Company has been looking for investment and cooperation opportunities in the new energy and resources sector. The Group has since identified the lithium battery industry as an area of growth in the new energy sector due to the increasing demand for electric vehicles in the PRC.

With the increasing public awareness of environmental protection and PRC government policy relating to saving fuel and reducing vehicular emission, major vehicles manufacturers are actively developing and promoting electric vehicles and hybrid vehicles, leading to a large demand for lithium battery. The Board recognizes the development potentials in the electric vehicles market in the PRC, and hence, the demand for lithium batteries.

As disclosed above, Shandong New Energy recorded net loss in 2012 and 2013. It was mainly because Shandong New Energy was still in its early stage of development and only commenced mass production in late 2013. As Shandong New Energy has now secured Zhejiang Kandi (an automobile company) as its major customer and is expected to widen its customer base in the foreseeable future, the Directors believe that Shandong New Energy will be able to reverse its loss-making trend in the future.

Based on the above, the Board is confident in the future prospects of Shandong New Energy and the lithium battery industry. The Acquisition, which is in line with the Group's strategy, will allow the Group to establish a platform in the PRC for engaging in the lithium battery production and sales business, enabling the Group to explore the high potential of the industry and thereby improving the profitability of the Group. The Directors further consider that the issue of the Consideration Shares as Consideration would allow the Group to retain more liquid financial resources and at the same time expand shareholder base.

The Directors (excluding all the independent non-executive Directors who will express their view after receiving advice from the Independent Financial Adviser to the Independent Board Committee) believe that the Acquisition and the terms of the Acquisition Agreement are fair and reasonable so far as the Company and the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

The revenue ratio (as calculated in accordance with Rule 19.07 of the GEM Listing Rules) for the Acquisition exceeds 100%. The Company has submitted to the Stock Exchange that, the revenue ratio of the Acquisition under Rule 19.07 of the GEM Listing Rules is not applicable in light of the anomalous result of the revenue ratio test caused by the difference in the sphere of activities of the Triumphant Glory Group and that of the Group. The revenue of the Triumphant Glory Group is mainly generated through the distribution and sale of lithium batteries in the PRC while the revenue of the Group is principally generated through the trading of commodity contracts, which is very different in terms of business nature and revenue recognition. Accordingly, the revenue ratio test is disregarded and pursuant to the other tests and alternative test, the Acquisition constitutes a discloseable transaction for the Company under the GEM Listing Rules.

As at the date of this announcement, Mr. He, being an executive Director and a controlling shareholder of Hong Bridge, owns 35% interest in Good Cheer. As such, Good Cheer is an associate of Mr. He and is a connected person of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Acquisition also constitutes a connected transaction for the Company and is subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

GENERAL

Pursuant to the GEM Listing Rules, the Independent Board Committee, comprising all its independent non-executive Directors, namely Mr. Chan Chun Wai, Tony, Mr. Fok Hon and Mr. Ma Gang, has been established to consider the terms of the Acquisition and the transactions contemplated thereunder, and to advise the Independent Shareholders as to whether they are on normal commercial terms, fair and reasonable and in the interests of the Company and Shareholders as a whole.

None of the members of the Independent Board Committee has any interest or involvement in the transactions contemplated under the Acquisition Agreement. The Independent Board Committee will form its view in respect of the terms of the Acquisition after obtaining and considering the advice from the Independent Financial Adviser.

Mr. He abstained from voting on the resolution of the Board to approve the Acquisition Agreement.

The EGM will be convened to consider and approve the Acquisition Agreement. Pursuant to the GEM Listing Rules, by virtue of Mr. He's interest in Good Cheer, Mr. He and his associates (including Hong Bridge) are required to abstain from voting at

the EGM to approve the Acquisition Agreement. To the best knowledge of the Directors, information and believe, certain shareholders (excluding Mr. He) of Good Cheer hold 78,642,000 Shares in aggregate (representing about 1.3% of the total number of issued Shares) as at the date of this Announcement. Such Shareholders has no relationship with the Company or Directors save for being Shareholders and they are not connected persons of the Company. By virtue of their interest in Good Cheer, such Shareholders and their respective associates are required to abstain from voting at the EGM to approve the Acquisition Agreement pursuant to the GEM Listing Rules. To the best knowledge of the Directors, information and believe, Mr. Li Shufu holds 90% equity interest in Zhejiang Geely which in turn holds 100% equity interest in Geely HK as at the date of this Announcement. By virtue of Mr. Li Shufu indirect beneficiary interest in Geely HK, Mr. Li Shufu and his associates are required to abstain from voting at the EGM to approve the Acquisition Agreement pursuant to the GEM Listing Rules. As at the date of this announcement, Mr. Li Shufu holds 106,064,000 Shares (representing approximately 1.7% of the total number of issued Shares) and Mr. Li Shufu is not a connected person of the Company.

A circular containing, among other things, (i) information on the Acquisition; (ii) the recommendation of the Independent Board Committee in respect of the Acquisition; (iii) the advice of the Independent Financial Adviser regarding the terms of the Acquisition; and (iv) other information as required under the GEM Listing Rules, together with the notice of the EGM, shall be despatched to the Shareholders. To allow sufficient time for the preparation of the circular (including the advice of the Independent Financial Adviser), it is expected that the circular would be despatched to the Shareholders on or before 29 August 2014.

RESUMPTION OF TRADING IN THE SHARES

Trading in the Shares has been suspended since 9:00 a.m. on 3 July 2014 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 7 July 2014.

Completion is subject to the satisfaction of the conditions precedent under the Acquisition Agreement and therefore, may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context otherwise requires, the following terms in this announcement shall have the meanings set out below:

| | |
|-------------------------|---|
| “Acquisition” | the acquisition of the Sale Shares and Sale Loan by the Company from the Vendors pursuant to the Acquisition Agreement |
| “Acquisition Agreement” | the conditional sale and purchase agreement dated 2 July 2014 entered into between the Company and the Vendors in relation to the Acquisition |
| “Ah” | amp-hour |
| “associate(s)” | the meaning ascribed to it in the GEM Listing Rules |
| “Business Day” | a day (excluding Saturdays and Sundays and public holidays) on which licensed banks are generally open for business in Hong Kong |
| “Board” | the board of Directors |
| “BVI” | the British Virgin Islands |
| “Company” | Honbridge Holdings Limited, an exempted company incorporated in the Cayman Islands and with limited liability, the Shares of which are listed on the GEM (Stock Code: 8137) |
| “Completion” | the completion of the Acquisition pursuant to the terms and conditions contained in the Acquisition Agreement |
| “Completion Date” | 5 Business Days immediately following the date on which all conditions are satisfied or waived |
| “connected person” | has the meaning ascribed thereto under the GEM Listing Rules |
| “Consideration” | HK\$634,760,000, being the aggregate consideration payable by the Company to the Vendors for the Acquisition pursuant to the Acquisition Agreement |

| | |
|------------------------|--|
| “Consideration Shares” | a total of 428,891,890 Shares to be allotted and issued by the Company to the Vendors pursuant to the Acquisition Agreement as part of the Consideration at a price of HK\$1.48 per Share |
| “Director(s)” | the director(s) of the Company |
| “EGM” | the extraordinary general meeting of the Shareholders to be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Acquisition Agreement and the transactions contemplated thereunder (including the issue of the Consideration Shares) |
| “Enlarged Group” | the Group as enlarged by the Acquisition |
| “GAAP” | generally accepted accounting principles |
| “Geely” | Geely Automobile Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange (Stock code: 175) |
| “Geely Group” | Geely and its subsidiaries |
| “Geely HK” | Geely International (Hong Kong) Limited, a company incorporated in Hong Kong |
| “GEM” | Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Growth Enterprise Market of the Stock Exchange |
| “Good Cheer” | Good Cheer Holdings Limited, a company incorporated in the BVI with limited liability |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Bridge” | Hong Bridge Capital Limited, a private limited liability company incorporated in the BVI, and is owned as to 68% by Mr. He and as to 32% by Mr. Li Xing Xing, respectively |

| | |
|---------------------------------|--|
| “Hong Kong” | Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Board Committee” | an independent committee of the Board comprising all its independent non-executive Directors, established for the purpose of advising Independent Shareholders on the terms of the Acquisition Agreement and the transactions contemplated therein |
| “Independent Financial Adviser” | the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders regarding the terms of the Acquisition |
| “Independent Shareholders” | Shareholders other than Mr. Li Shufu and Hong Bridge |
| “Kandi Group” | Kandi Technologies and its subsidiaries |
| “Kandi Technologies” | Kandi Technologies Group, Inc., a limited liability company incorporated in Delaware, the United States of America, the shares of which are listed on the National Association of Securities Dealers Automated Quotations (NASDAQ) |
| “kWh” | kilowatt-hour |
| “Last Trading Day” | 2 July 2014, being the last full trading day on which the Shares were traded on the GEM prior to the publication of this announcement |
| “Leads Top” | Leads Top Limited, a company incorporated in the BVI with limited liability |
| “Long Stop Date” | 30 September 2014, or such later date as may be mutually agreed by the Company and the Vendors pursuant to the Acquisition Agreement |

| | |
|-------------------------------------|---|
| “Mr. He” | Mr. He Xuechu, the chairman of the Company and executive Director |
| “Possible Acquisition Announcement” | the announcement of the Company dated 28 May 2014 in relation to the intention to acquire interests in a company that is principally engaged in lithium battery research, production and sales in the PRC |
| “PRC” | the People’s Republic of China, and for the purposes of this announcement excluding Hong Kong, the Macau Special Administrative Region, and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Sale Loan” | the aggregate amounts due from Triumphant Glory Group to the Vendors upon Completion |
| “Sale Shares” | 9,068 ordinary shares of US\$1.00 each, representing 90.68% of the issued share capital of Triumphant Glory to be acquired by the Company pursuant to the Acquisition Agreement |
| “Shandong New Energy” | 山東衡遠新能源科技有限公司 (Shandong Forever New Energy Co., Ltd.), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of Triumphant Glory |
| “Share(s)” | ordinary share(s) of HK\$0.001 each in the share capital of the Company |
| “Shareholder(s)” | the holder(s) of the Share(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Triumphant Glory” | Triumphant Glory Investments Limited, a company incorporated in the BVI with limited liability |
| “Triumphant Glory Group” | Triumphant Glory and Shandong New Energy |
| “US\$” | American dollars, the lawful currency of the United States of America |
| “Vendors” | Good Cheer, Geely HK and Leads Top |

| | |
|------------------|--|
| “Zhejiang Geely” | 浙江吉利控股集團有限公司 (Zhejiang Geely Holding Group Co., Ltd.), a limited liability company incorporated in the PRC |
| “Zhejiang Kandi” | 浙江康迪電動汽車有限公司 (Zhejiang Kandi Electric Vehicles Co., Ltd.), a limited liability company incorporated in the PRC |
| “%” | per cent |

By order of the Board
Honbridge Holdings Limited
Liu Wei, William
Director and Chief Executive Officer

Hong Kong, 7 July 2014

As at the date of this announcement, the Board comprises Mr. He Xuechu (Chairman), Mr. Liu Wei, William (Chief Executive Officer) and Mr. Shi Lixin as executive Directors; Mr. Yan Weimin and Mr. Ang Siu Lun, Lawrence as non-executive Directors and Mr. Chan Chun Wai, Tony, Mr. Fok Hon and Mr. Ma Gang as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 that 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 Announcement” page of the GEM website at www.hkgem.com for at least 7 days and the Company website at www.8137.com from the date of its publication.