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HONBRIDGE HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8137)

DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL AND SHAREHOLDER'S LOAN OF HONBRIDGE INTERNATIONAL TRADING COMPANY LIMITED

THE DISPOSAL

The Sale Shares represent the entire issued share capital of Honbridge International Trading together with all rights currently or thereafter attached thereto and free from any encumbrances.

The Shareholder's Loan represents the loan payable by the Disposal Group to the Company in the amount of approximately HK\$6.80 million.

CONSIDERATION

The consideration of the Sale Shares and Shareholder's Loan is HK\$0.1 million. The consideration is determined after arm's length negotiations between the parties to the Sale and Purchase Agreement, on normal commercial terms and with reference to the conditions as set out in details under the sections of "Information about the Disposal Group" and "Reasons and Benefits of the Disposal". In consideration of the net liabilities position of the Disposal Group and the net losses recorded by the Disposal Group, the Directors consider that the consideration is fair and reasonable.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the requirements of notification and announcement.

BACKGROUND

On 23 December 2015, the Purchaser and the Company signed and completed the Sale and Purchase Agreement, pursuant to which the Purchaser agreed to purchase and the Company agreed to sell the Sale Shares and Shareholder's Loan at a consideration of HK\$0.1 million.

The principal terms of the Sale and Purchase Agreement are set out as follows:

THE SALE AND PURCHASE AGREEMENT

Date

23 December 2015

Parties

Vendor

Purchaser

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and his respective ultimate beneficial owners are third parties independent of the Company and its connected persons and their respective associates.

THE DISPOSAL

The Sale Shares represent the entire issued share capital of Honbridge International Trading together with all rights currently or thereafter attached thereto and free from any encumbrances.

The Shareholder's Loan represents the loan owed by the Disposal Group to the Company in the amount of approximately HK\$6.80 million.

CONSIDERATION

The consideration of the Sale Shares and Shareholder's Loan is HK\$0.1 million. The consideration is determined after arm's length negotiations between the parties to the Sale and Purchase Agreement, on normal commercial terms and with reference to the conditions as set out in details under the below sections of "Information about the Disposal Group" and "Reasons and Benefits of the Disposal". In consideration of the net liabilities position of the Disposal Group and the net losses recorded by the Disposal Group, the Directors consider that the consideration is fair and reasonable.

INFORMATION ABOUT THE DISPOSAL GROUP

Honbridge International Trading is a limited liability company incorporated in Hong Kong with a registered capital of HK\$1 million.

The following set out the unaudited financial information of the Disposal Group for each of the two years ended 31 December 2014 and 2013:

	Year ended 31 December 2014	Year ended 31 December 2013
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3,500	8,200
Loss before tax	190	10,030
Net loss after tax	370	10,360
Net liabilities	8,250	7,880

The above unaudited consolidated financial information of the Disposal Group is for information purpose only and was prepared on the basis of the management account of the companies comprising the Disposal Group.

INFORMATION OF THE GROUP

The Company is principally engaged in manufacturing and trading of lithium-ion battery, investment in new energy and resource sector and exploration of mineral resources. The Group intends to enter the field of new energy vehicles and intends to acquire the complete core technology such as battery system, electric motor system and vehicle control module by acquisitions. The strategy is to conduct business consolidation by mergers and acquisitions globally in order to obtain the cutting-edge techniques and to integrate creativity for producing and selling new energy vehicles, and to industrialize the production of new energy vehicles and related core components in the PRC and follow this direction to seek for mergers and acquisitions opportunities.

INFORMATION OF THE PURCHASER

The Purchaser is principally engaged in investment.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS FROM THE DISPOSAL

Upon completion, the Disposal Group will cease to be subsidiaries of the Company and their financial results will no longer be consolidated into the financial statements of the Company.

After taking into account, among other things, the consolidated net liabilities of the Disposal Group upon completion, it is preliminarily estimated that the Company will record a gain of approximately HK\$2 million due to the Disposal, which was estimated based on, among other things, (i) the unaudited consolidated management account of the Disposal Group as at 30 November 2015 and (ii) after deducting the currently estimated professional fees and other expenses of the remaining group attributable to the Disposal. Shareholders of the Company should be aware that the above figures are merely for illustration purpose. The actual gain recognised by the Disposal may differ from that mentioned above and shall be subject to review upon finalization of the consolidated financial statements of the Group by the Company's auditors.

The net proceeds of the Disposal (after deducting the relevant costs and expenses) will be approximately HK\$0.1 million. It is intended that the net proceeds of the Disposal will be used as the general working capital of the Group.

REASONS AND BENEFITS OF THE DISPOSAL

The Disposal Group has recorded losses for the past two years and the prospects of the relevant businesses are not promising due to the continuous weak performance of the commodity market. In addition, as the Group has placed its focus of development on the businesses related to new energy vehicles, it has decided to dispose of the loss-making group in order to further streamline its structure, reduce losses and concentrate its resources on other businesses.

As a result, the Directors consider that (i) the Disposal and the transactions contemplated under the Sale and Purchase Agreement are on normal commercial terms and (ii) the terms of the Sale and Purchase Agreement are determined after arm's length negotiations between the Company and the Purchaser, fair and reasonable and in the interests of the Company and the shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the requirements of notification and announcement.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors of the Company
“Company”	Honbridge Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM of the Stock Exchange
“Directors”	directors of the Company

“Disposal”	the disposal of Sale Shares and Shareholder’s Loan to the Purchaser
“Disposal Group”	Honbridge International Trading and its subsidiary
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Honbridge International Trading”	Honbridge International Trading Company Limited, a limited liability company incorporated in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“PRC”	the People’s Republic of China
“Sale and Purchase Agreement”	the agreement entered into between the Company and the Purchaser on 23 December 2015 in relation to the Disposal Group and Shareholder’s Loan
“Sale Shares”	the entire issued share capital of Honbridge International Trading
“Shareholder’s Loan”	the loan owed by the Disposal Group to the Company in the amount of approximately HK\$6.80 million on the date of the Sale and Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent
“Vendor”	the Company
“Purchaser”	an individual who is a third party independent of the Company and its connected persons, as well as their respective associates

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

Hong Kong, 23 December 2015

As at the date of this announcement, the Board comprises Mr. He Xuechu, Mr. Liu Wei, William and Mr. Shi Li Xin 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 collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong 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 Growth Enterprise Market website at www.hkgem.com for at least seven days from the date of its posting and on the website of the Company at www.8137.hk.