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HONBRIDGE HOLDINGS LIMITED

(incorporated in the Cayman islands with limited liability)

(stock code : 8137)

MEMORANDUM OF UNDERSTANDING IN RELATION TO BRIDGE LOAN AND PROPOSED ACQUISITION

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions of Part XIVA of the SFO.

The Board is pleased to announce that on 23 January 2015 (after trading hours), the Company signed a non legally-binding MOU with the Target Company and Vendor, pursuant to which the Company intended to acquire and the Vendor intended to sell the interests of the Target Company. Additionally, two weeks after satisfactory completion of the Due Diligence by the Company, a Bridge Loan will be provided to the Target Company. The Bridge Loan will be convertible into equity interest of the Target Company.

Protean, the Target Company is an award-winning technology company that has developed an in-wheel electric drive system for hybrid, plug-in hybrid and battery electric light-duty vehicles. The Protean Drive™ system can improve vehicle fuel economy, add torque, increase power and enable improved vehicle handling to both new and existing vehicles. The headquarter of Protean is located in Michigan in the USA and conducts its research and development activities in its founding place at Farnham in England. Protean has also set up its PRC headquarter in Shanghai. Protean has employed more than 40 engineers. Besides, 47 patents have been awarded with another 116 filings covering 55 inventions.

The terms of the Bridge Loan shall be subject to further negotiation between the Company and the Target Company and the terms and conditions of the Formal Loan Agreement.

The consideration for the Proposed Acquisition, including the consideration amount and the way of settlement, shall be subject to further negotiation between the Company and the Vendor and the terms and conditions of the Formal Agreement.

The Company, Target Company and the Vendor shall use reasonable endeavours to complete the Due Diligence on or before 13 February 2015 or on such later date as may be agreed between the respective parties.

The Board wishes to emphasize that no legally-binding agreement in relation to the provision of Bridge Loan and the Proposed Acquisition has been entered into as at the date of this announcement. Shareholders and potential investors of the Company should note that the provision of Bridge Loan and the Proposed Acquisition may or may not proceed and are advised to exercise caution when dealing in the shares of the Company. If the provision of Bridge Loan and the Proposed Acquisition materialises, it may constitute a notifiable transaction on the part of the Company. Further announcement in respect of the provision of Bridge Loan and the Proposed Acquisition will be made by the Company in the event that any Formal Loan Agreement or Formal Agreement has been signed.

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 Growth Enterprise Market 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**”).

The board of directors of the Company (the “**Board**”) is pleased to announce that on 23 January 2015 (after trading hours), the Company signed a non legally-binding memorandum of understanding (the “**MOU**”) with Protean Holdings Corporation (the “**Target Company**” or “**Protean**”, web site: www.proteanelectric.com/en/) and its major shareholder, Oak Investments Partners (the “**Vendor**”), pursuant to which the Company intended to acquire and the Vendor intended to sell the interests of the Target Company (the “**Proposed Acquisition**”). Additionally, two weeks after satisfactory completion of the Due Diligence by the Company, at least USD 3 million bridge loan (the “**Bridge Loan**”) will be provided to the Target Company. The Bridge Loan will be convertible into equity interest of the Target Company.

THE TARGET COMPANY

Protean is an award-winning technology company that has developed an in-wheel electric drive system for hybrid, plug-in hybrid and battery electric light-duty vehicles. The Protean Drive™ system can improve vehicle fuel consumption, add torque, increase power and enable improved vehicle handling to both new and existing

vehicles. The headquarter of Protean is located in Michigan in the United States of America (the “USA”) and conducts its research and development activities in its founding place at Farnham in England. Protean has also set up its People’s Republic of China (the “PRC”) headquarter in Shanghai. Protean has employed more than 40 engineers. Besides, 47 patents have been awarded with another 116 filings covering 55 inventions.

The MOU

Date: 23 January 2015

Parties: (1) The Company
(2) The Target Company
(3) The Vendor

DUE DILIGENCE

Pursuant to the MOU, the Company has the right to assign its representatives and/or advisors to carry out due diligence investigations on the legal, financial, technological and other aspects of the Target Company (the “**Due Diligence**”). Target Company agreed to provide assistance for the Due Diligence, including but not limited to providing the information, documents and responses to queries as required by the Company and its representatives, consultants and advisors. The Company, Target Company and the Vendor shall use reasonable endeavours to complete the Due Diligence on or before 13 February 2015 or on such later date as may be agreed between the respective parties.

BRIDGE LOAN

Two weeks after satisfactory completion of the Due Diligence by the Company, at least USD 3 million bridge loan will be provided to the Target Company. The Bridge Loan will be convertible into equity interest of the Target and other terms of the Bridge Loan shall be subject to further negotiation between the Company and the Target Company. The Target Company and the Vendor agreed to offer favorable terms to the Company in return for accepting such Bridge Loan, including but not limit to converting the Bridge Loan to preferred shares and granting warrant to acquire common shares after winning potential businesses.

REASONS FOR PROVISION OF BRIDGE LOAN AND THE PROPOSED ACQUISITION

The Company is determined to develop in new energy vehicles industry and is looking for acquisition and investment target which is engaged in battery, motor, vehicle management system as well as new energy vehicle manufacturing business. The Company entered the lithium-ion batteries field after the acquisition of Shandong Forever New Energy Co., Ltd. in September 2014. The Board considers acquisition of

the business of the Target Company is an important step for the Company to develop in the new energy vehicles business. To obtain favourable terms for the Proposed Acquisition, the Company agreed to provide the Bridge Loan to the Target Company two weeks after satisfactory completion of the Due Diligence by the Company.

The terms of the Bridge Loan shall be subject to further negotiation between the Company and the Target Company and the terms and conditions of the formal loan agreement (the “**Formal Loan Agreement**”).

The consideration of the Proposed Acquisition, including the consideration amount and the way of settlement, shall be subject to further negotiation between the Company and the Vendor and the terms and conditions of the formal sale and purchase agreement (the “**Formal Agreement**”).

The MOU does not constitute legally-binding commitment of the parties to the MOU in respect of the provision of Bridge Loan and the Proposed Acquisition. The provision of Bridge Loan and the Proposed Acquisition is subject to the execution and completion of the Formal Loan Agreement and Formal Agreement respectively. To the best of the Directors’ knowledge, information and belief, having made reasonable enquiry, the Target Company, the Vendor and their respective associates are not connected persons of the Company and are independent of the Company and its connected persons.

If the Formal Loan Agreement or Formal Agreement is entered into, the provision of Bridge Loan and the Proposed Acquisition may constitute a notifiable transaction on the part of the Company under the GEM Listing Rules. In this regard, the Company will comply with the reporting, announcement and/or shareholders’ approval requirements under the GEM Listing Rules as and when appropriate.

The Company, the Target Company and the Vendors shall use reasonable endeavours to complete the Due Diligence on or before 13 February 2015 or on such later date as may be agreed between the respective parties.

The Board wishes to emphasize that no legally-binding agreement in relation to the provision of Bridge Loan and the Proposed Acquisition has been entered into as at the date of this announcement. Shareholders and potential investors of the Company should note that the provision of Bridge Loan and the Proposed Acquisition may or may not proceed and are advised to exercise caution when dealing in the shares of the Company. If the provision of Bridge Loan and the Proposed Acquisition materialises, it may constitute a notifiable transaction on the part of the Company. Further announcement in respect of the provision of Bridge Loan and the Proposed Acquisition will be made by the Company in the event that any Formal Loan Agreement or Formal Agreement has been signed.

On behalf of the Board
Honbridge Holdings Limited
YEUNG Ho Ming
Company Secretary

Hong Kong, 26 January 2015

As at the date of this announcement, the Board consists of three executive Directors, Mr. He Xuechu, Mr. Liu Wei, William and Mr. Shi Lixin, two non-executive Directors Mr. Yan Weimin and Mr. Ang Siu Lun, Lawrence and three independent non-executive Directors, Mr. Chan Chun Wai, Tony, Mr. Fok Hon and Mr. Ma Gang.

This announcement, for which the Directors of the Company 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least 7 days from the day of its posting and on the Company’s website www.8137.hk.