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HONBRIDGE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8137)

VOLUNTARY ANNOUNCEMENT TERM SHEET IN RELATION TO POTENTIAL INVESTMENT IN LIMITED PARTNERSHIP

On 25 March 2016, the Company and Cloudmatrix entered into the Term Sheet. Pursuant to the Term Sheet, the Company agreed to invest at least US\$10 million (equivalent to HK\$78 million) as a limited partner in the Limited Partnership to be managed by Cloudmatrix.

The Term Sheet is non-legally binding in nature. As at the date of this announcement, no definitive agreement in relation to the Potential Investment has been entered into by the Company. If the Potential Investment is materialized, it may constitute a notifiable transaction for the Company under the GEM Listing Rules and further announcement(s) will be made by the Company in compliance with the GEM Listing Rules as and when appropriate.

The details and terms of the Potential Investment are subject to commercial negotiation between the parties to the Term Sheet and the entering into of a definitive agreement. As the Potential Investment may or may not proceed, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

This announcement is made the Company on a voluntary basis.

POTENTIAL INVESTMENT IN LIMITED PARTNERSHIP

On 25 March 2016, the Company and Cloudmatrix entered into the Term Sheet. Pursuant to the Term Sheet, the Company agreed to invest at least US\$10 million (equivalent to HK\$78 million) as a limited partner in the Limited Partnership to be managed by Cloudmatrix.

The Term Sheet

Date

25 March 2016

Parties

- (i) the Company as limited partner; and
- (ii) Cloudmatrix as general partner.

To the best knowledge of the Directors, Cloudmatrix and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

Investment amount

The Company intends to invest an amount no more than US\$70 million (equivalent to HK\$546 million) in the Limited Partnership.

Investment objective

The investment objective of the Limited Partnership is to seek to generate guaranteed return by investing, either directly or indirectly, in entities within the telecommunication media and technology industry.

REASON FOR THE POTENTIAL INVESTMENT

The Group 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 is determined to develop in new energy vehicles industry 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 People's Republic of China and follow this direction to seek for mergers and acquisitions opportunities.

Reference is also made to the circular of the Company dated 29 May 2015 in relation to the placing of 754,000,000 new Shares (the "**Placing**") and the subscription of Shares by an independent third party of an aggregate of 446,000,000 Shares (the "**Subscription**"). Upon completion of the Placing and the Subscription, the Company received an aggregate of HK\$1,336 million of net proceeds, the majority of which was then intended to be applied to increase the Group's production capacity of lithium-ion battery business and potential investment and acquisition opportunities in the new energy vehicle related field. However, as at the date of this announcement, the Company has yet to

identify suitable investment and acquisition targets in the new energy vehicle-related field. Whilst the Company will continue to explore and identify suitable targets in the new energy vehicle-related field, the Company has decided to improve the Group's capital efficiency and to better utilise its cash by making short-term investment to generate better returns to its shareholders. Taking into account of the investment objective of the Limited Partnership and the potential return to be generated by the Potential Investment, the Directors believe that the terms of the Term Sheet are normal commercial terms and fair and reasonable, and the Potential Investment, if materialized, will be in the interests of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATION

The Term Sheet is non-legally binding in nature. As at the date of this announcement, no definitive agreement in relation to the Potential Investment has been entered into by the Company. If the Potential Investment is materialized, it may constitute a notifiable transaction for the Company under the GEM Listing Rules and further announcement(s) will be made by the Company in compliance with the GEM Listing Rules as and when appropriate.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Cloudmatrix”	Cloudmatrix, a Cayman Islands exempted company with limited liability and is an indirectly wholly-owned subsidiary of Lontrue Co., Limited
“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
“connected person”	has the meaning ascribed thereto under the GEM Listing Rules

“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Limited Partnership”	Cloudshire Fund LP, an exempted limited partnership incorporated in the Cayman Islands
“Lontrue Co., Limited”	朗源股份有限公司, a company incorporated in Shandong Province, the People’s Republic of China, with limited liability and the issued shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 300175)
“Potential Investment”	the potential investment in the Limited Partnership by the Company
“Shares”	shares with a nominal value of HK\$0.001 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term Sheet”	the non-legally binding term sheet dated 25 March 2016 entered into between the Company and Cloudmatrix in relation to the Potential Investment

On behalf of the Board
Honbridge Holdings Limited
LIU Wei, William
Director and Chief Executive Officer

Hong Kong, 25 March 2016

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 nonexecutive 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 “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 GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the day of its posting and on the Company’s website www.8137.hk.