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# HONBRIDGE HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8137)**

## CONNECTED TRANSACTION
## ENTERING INTO THE EQUITY TRANSFER AGREEMENT AND ASSIGNMENT OF DEBT

### THE DISPOSAL

The Board hereby announces that, on 20 January 2025 (after trading hours), Triumphant Glory, a wholly-owned subsidiary of the Company, Geely Auto and Suzhou Aplesi entered into the Equity Transfer Agreement, pursuant to which Triumphant Glory and Geely Auto agreed to sell, and Suzhou Aplesi agreed to purchase approximately 24.5% and approximately 17.0% equity interests in the Target Company at a consideration of RMB9,290,000 and RMB5,510,000, respectively, to be settled in cash.

Upon the completion of the disposal of the Triumphant Target Equity, the Company will not hold any equity interest in the Target Company and the Target Company will cease to be an associate of the Company in the consolidated financial statements of the Group.

In connection to the aforesaid transaction, on 20 January 2025 (after trading hours), Triumphant Glory, the Company, Suzhou Aplesi, the Target Company and Geely Auto entered into the Debt Assignment Agreement, pursuant to which Triumphant Glory and the Company will assign Debt A and Debt B, respectively, to Suzhou Aplesi after completion of the Disposal each at nil consideration.

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

**IMPLICATIONS UNDER THE GEM LISTING RULES**

As at the date of this announcement, Geely Auto (one of the vendors) is a subsidiary of Zhejiang Geely, a substantial shareholder of the Company and is owned as to 91.08% by Mr. Li, the controlling shareholder of the Company. As such, Geely Auto is an associate of Zhejiang Geely, and is a connected person of the Company. Therefore, the transaction under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. As the highest applicable percentage ratio is more than 0.1% but less than 5%, pursuant to the GEM Listing Rules, the transaction under the Equity Transfer Agreement is subject to the reporting and announcement requirements, but is exempted from the independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

## THE DISPOSAL

The Board hereby announces that, on 20 January 2025 (after trading hours), Triumphant Glory, a wholly-owned subsidiary of the Company, Geely Auto and Suzhou Aplesi entered into the Equity Transfer Agreement, pursuant to which Triumphant Glory agreed to sell and Suzhou Aplesi agreed to purchase approximately 24.5% equity interests in the Target Company at a consideration of RMB9,290,000; and Geely Auto agreed to sell and Suzhou Aplesi agreed to purchase approximately 17.0% equity interests in the Target Company at a consideration of RMB5,510,000.

The principal terms of the Equity Transfer Agreement are summarized below:

### Equity Transfer Agreement

***Date***

20 January 2025

***Parties***

**Vendors:**

Triumphant Glory

Geely Auto

**Purchaser:**

Suzhou Aplesi

***Asset to be disposed***

Pursuant to the Equity Transfer Agreement, Triumphant Glory agreed to sell and Suzhou Aplesi agreed to purchase the Triumphant Target Equity at a consideration of RMB9,290,000; and Geely Auto agreed to sell and Suzhou Aplesi agreed to purchase the Geely Target Equity at a consideration of RMB5,510,000.

Upon the completion of the disposal of the Triumphant Target Equity, the Company will not hold any equity interest in the Target Company and the Target Company will cease to be an associate of the Company in the consolidated financial statements of the Group.

***Consideration and its basis of determination***

The consideration of the disposal of the Triumphant Target Equity is RMB9,290,000 (equivalent to approximately HK$9,990,000), which was determined between the parties through arm's length negotiation with reference to (i) the carrying book amount of the Target Company (i.e. HK$5,490,000) in the unaudited consolidated financial statements of the Company as at 30 June 2024; (ii) loss after taxation of the Target Company of approximately HK$360,000 for the six months period ended 30 June 2024; (iii) the business prospects of the Target Company; and (iv) the factors set out in the section headed ''Reasons for and benefits of the Disposal'' in this announcement. Such consideration is proposed to be settled in cash.

***Payment arrangement***

On the date of which the ownership of the Triumphant Target Equity is transferred to the name of Suzhou Aplesi and the industrial and commercial registration is completed, Suzhou Aplesi shall pay the consideration of RMB9,290,000 in full to Triumphant Glory.

***Conditions Precedent***

The completion under the Equity Transfer Agreement is subject to the following conditions being satisfied or waived in writing:

1. the relevant parties have signed and delivered all documents required to complete the transactions under the Equity Transfer Agreement, including but not limited to the Equity Transfer Agreement, the Debt Assignment Agreement, written resolutions of the Shareholders or the board of directors of the Target Company approving the transactions under the Equity Transfer Agreement and the signing and execution of corresponding transaction documents, and written documents confirming that all other shareholders have waived their rights such as the pre-emptive right in the equity transfer, as well as the amended articles of association of the Target Company based on the transfers; and

2. the warranties made by Triumphant Glory, Geely Auto and Suzhou Aplesi in the Equity Transfer Agreement are true, accurate and not materially misleading in all material aspects, and Triumphant Glory, Geely Auto and Suzhou Aplesi have fully performed all their responsibilities under the Equity Transfer Agreement at or before completion; no events have occurred that would have a material adverse impact on the disposal of the Triumphant Target Equity and the Geely Target Equity or the continued existence, business and finance of the Target Company; and no regulations, rules, legal proceedings, or administrative directives have been issued, enacted, initiated, or enforced that are related to the Target Company and are in existence or pending with a reasonable expectation of prohibiting or restricting the transactions under the Equity Transfer Agreement from taking place or being completed as of the completion date.

***Completion***

Completion under the Equity Transfer Agreement shall occur on the date on which the conditions precedent under the Equity Transfer Agreement are satisfied or waived in writing, and Suzhou Aplesi pays Triumphant Glory and Geely Auto the consideration for the Triumphant Target Equity and the Geely Target Equity, respectively, in full, which is expected to take place on or before 31 May 2025. If the relevant equity transfer is not completed by 31 May 2025, Triumphant Glory and Geely Auto, have right to terminate Equity Transfer Agreement by written notice.

***Other terms***

After the completion of the Disposal and subject to the terms of the Equity Transfer Agreement, Triumphant Glory and the Company will assign Debt A and Debt B, respectively, to Suzhou Aplesi.

During the transition period between the signing of the Equity Transfer Agreement and the completion of the Disposal, in the absence of obtaining prior consent from Suzhou Aplesi or in accordance with the explicit provisions of the Equity Transfer Agreement, the Target Company shall and Triumphant Glory and Geely Auto shall procure the Target Company not to engage in any activities other than those necessary to maintain normal operations or to promptly commence business operations, but it shall not restrict the Target Company from taking actions or measures required by laws, regulations, or government requirements.

**Debt Assignment Agreement**

In connection to the aforesaid transaction, on 20 January 2025 (after trading hours), Triumphant Glory, the Company, Suzhou Aplesi, the Target Company and Geely Auto entered into the Debt Assignment Agreement.

The principal terms of the Debt Assignment Agreement are summarized below:

***Date***

20 January 2025

***Parties***

**Assignors:**

Triumphant Glory

The Company

**Assignee:**

Suzhou Aplesi

**Debtor:**

The Target Company

**Other parties:**

Geely Auto

***Assets to be disposed***

Debt A of approximately RMB20,526,800 (equivalent to approximately HK$22,070,000) and Debt B of RMB4,000,000 (equivalent to approximately HK$4,300,000) are debts owing by the Target Company to Triumphant Glory and the Company, respectively.

Pursuant to the Debt Assignment Agreement, Triumphant Glory and the Company will assign the Debt A and Debt B, respectively, to Suzhou Aplesi after completion of the Disposal.

***Consideration and its basis of determination***

The consideration for each of the Debt A and the Debt B is at nil consideration, and was determined together with the Equity Transfer Agreement and upon arm's length negotiations between the parties. The Debt A and the Debt B were intra-group financing provided to the

Target Company more than 10 years ago for the working capital of the Target Company. As such, Triumphant Glory, the Company and Suzhou Aplesi have regarded the Debt A and the Debt B a form of quasi capital in nature. In view that the Target Company has been generally in loss-making position for many years and other factors as further discussed in the section headed ''Reasons for and benefits of the Disposal'' in this announcement, Triumphant Glory, the Company and Suzhou Aplesi have agreed the consideration for assignment each of the debts to be at nil consideration.

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

## INFORMATION ON THE GROUP AND OTHER PARTIES

### The Group

The Group is principally engaged in the business of research and development, production and sales of lithium-ion battery and battery system, provision of online car-hailing services and research and exploration of iron ores.

### Target Company

The Target Company is a sino-foreign equity joint venture established and validly existing under the laws of the PRC, and is principally engaged in the research, production and sales of lithium-ion batteries in the PRC. As at the date of this announcement, the Target Company is owned as to 50%, approximately 25.5% and approximately 24.5% by 江蘇天開能源技術有限公司 (Jiangsu Tiankai Energy Co., Ltd.*), Geely Auto and Triumphant Glory, respectively.

Set out below is certain audited financial information of the Target Company for the years ended 31 December 2022 and 2023 and unaudited financial information of the Target Company for the six months ended 30 June 2024 prepared in accordance with HKFRS:

| | **For the six months ended 30 June 2024** | **For the year ended 31 December 2022** | **31 December 2023** |
|---|---|---|---|
| | (unaudited) | (audited) | (audited) |
| | *HK$'000* | *HK$'000* | *HK$'000* |
| Revenue | — | 331 | 542 |
| Loss before taxation | (364) | (5,652) | (2,402) |
| Loss after taxation | (364) | (5,652) | (2,402) |

As of 30 June 2024, the total assets and net assets of the Target Company were approximately HK$85.5 million and HK$22.4 million, respectively.

**Triumphant Glory**

Triumphant Glory is an investment holding company incorporated in the British Virgin Islands. It is directly wholly-owned by the Company.

**Geely Auto**

Geely Auto is a limited liability company established in the PRC and is a subsidiary of Zhejiang Geely. Zhejiang Geely and its subsidiaries are principally engaged in the sale of automobiles and related parts and components wholesale and retail business. Mr. Li is the controlling shareholder, founder, chairman of the board of directors of Zhejiang Geely. Mr. Li is also a controlling shareholder of the Company.

**Suzhou Aplesi**

Suzhou Aplesi is a limited liability company established in the PRC and principally engaged in power system integration services in the field of new energy vehicles and its core products including lithium-ion power battery system, power battery intelligent storage and transportation system and power battery maintenance system.

Suzhou Aplesi is owned as to 80% by Li Yahui (李亞輝), and as to 20% by Jiangyin Chuanjicangcheng Enterprise Management Co., Ltd.* (江陰市川芿倉成企業管理有限公司) which is wholly-owned by Zhang Pingping (張萍萍). To the best of the Directors' knowledge, information and belief having made all reasonable enquires, Suzhou Aplesi and its ultimate beneficial owners are Independent Third Parties.

**REASONS FOR AND THE BENEFITS OF THE DISPOSAL**

The Company has been seeking the disposal of its interest in the Target Company for more than a year through various means including engaging an international third party agent to seek buyers. However, interest from the market is limited, and no other offers have been received by the Company other than from the Purchaser. The factory plant and production line of the Target Company was built and acquired many years ago and are unable to produce competitive lithium battery products. During the year ended 31 December 2023 and 2024, there was no production in the Target Company and the Target Company has focused on downsizing and operation simplification. It is estimated that significant investments and time would be needed for the Target Company to restart its business, including building a new factory plant, acquisition of new equipment, recruiting an experienced research and development team, which may takes years to deliver competitive products. However, the Group is prudently controlling its costs and monitoring its expenditures under the current challenging and uncertain economic situation, while other shareholders of the Target Company are also not planning to provide further investments at this stage.

In deciding to pursue the Disposal, the Company has also considered the Target Company's financial condition and prospects. The revenue of the Target Company in the past two years were only approximately HK$0.5 million and HK$0.3 million for the year ended 31 December 2023 and 2022 respectively. The Target Company was generally in loss-making position for many years, has stopped production since 2020 and it may encounter liquidity issues in the short term without further capital injection.

Taking into account the above factors, the Disposal will enable the Group to better allocate and utilise its financial resources towards its other businesses as well as better focus the Group's management and business development on such businesses.

In consideration of the foregoing factors, the Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement and the Debt Assignment Agreement are on normal commercial terms and fair and reasonable and although entering into of such agreements and the transactions contemplated thereunder, though not in the ordinary course of business, are in the interests of the Company and the Shareholders as a whole.

## FINANCIAL EFFECT OF THE POTENTIAL DISPOSAL AND USE OF PROCEEDS

As at the date of this announcement, the Target Company was an associate of the Company and its financial results were not consolidated in the consolidated financial statements of the Group.

Upon completion of the disposal of the Triumphant Target Equity, the Company will not hold any equity interest in the Target Company and the Target Company will cease to be an associate of the Company in the consolidated financial statements of the Group.

Based on (i) the RMB9,290,000 (equivalent to approximately HK$9,990,000) consideration for the Triumphant Target Equity; (ii) the approximately HK$5,490,000 unaudited carrying value of the Group's interest in the Target Company as at 30 June 2024; (iii) the nil carrying value of amount due from the Target Company as at 30 June 2024 given that full provision was made for Debt A and Debt B; (iv) release of translation reserves of approximately HK$1,000,000, it is expected that the Company will recognise a one-off gain of approximately HK$5,500,000 upon completion of the Disposal.

After deducting the expenses relating to the Disposal, the net proceeds of approximately HK$9,790,000 is expected to be applied towards general working capital of the Group.

Shareholders should note that the financial effect shown above is for reference only and the actual financial effect of the Disposal to be recognised by the Group will subject to the then financial position of the Target Company and subject to review by the auditors.

## IMPLICATIONS UNDER THE GEM LISTING RULES

As at the date of this announcement, Geely Auto (one of the vendors) is a subsidiary of Zhejiang Geely, a substantial shareholder of the Company and is owned as to 91.08% by Mr. Li, the controlling shareholder of the Company. As such, Geely Auto is an associate of Zhejiang Geely, and is a connected person of the Company. Therefore, the transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. As the highest applicable percentage ratio is more than 0.1% but less than 5%, pursuant to the GEM Listing Rules, the transaction contemplated under the Equity Transfer Agreement is subject to the reporting and announcement requirements, but is exempted from the independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

Mr. Xu Zhihao, Mr. Xu Bing, Mr. Chen Shengjie and Ms. Gu Wenting, each being an executive Director of the Company, are currently taking position in companies which Mr. Li has controlling interests. In order to avoid the perception of a conflict of interest, each of them abstained from voting on the board resolutions in relation to the Equity Transfer Agreement and Debt Assignment Agreement. To the best of the Director's knowledge,

information and belief, having made all reasonable enquires, except Mr. Xu Zhihao, Mr. Xu Bing, Mr. Chen Shengjie and Ms. Gu Wenting, none of the Directors is materially interested in the Equity Transfer Agreement and Debt Assignment Agreement, and therefore none of the Directors is required to abstain from voting on the Board resolutions to approve the Equity Transfer Agreement and Debt Assignment Agreement and the transactions contemplated thereunder.

## DEFINITIONS

In this announcement, the following expressions have the following meaning unless the context otherwise specifies:

| | |
|---|---|
| "associate(s)" | has the meaning ascribed to it under the GEM Listing Rules |
| "Board" | the board of Directors |
| "Company" | Honbridge Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM |
| "connected person(s)" | has the meaning ascribed to it under the GEM Listing Rules |
| "controlling shareholder(s)" | has the meaning ascribed to it under the GEM Listing Rules |
| "Debt A" | the outstanding debts in the amount of approximately RMB20,526,800 owing by the Target Company to Triumphant Glory |
| "Debt Assignment Agreement" | the Debt Assignment Agreement entered into between Triumphant Glory, the Company, the Target Company, Suzhou Aplesi and Geely Auto dated 20 January 2025, pursuant to which Triumphant Glory and the Company will assign Debt A and Debt B, respectively, to Suzhou Aplesi each at nil consideration |
| "Debt B" | the outstanding debts in the amount of RMB4,000,000 owing by the Target Company to the Company |
| "Director(s)" | director(s) of the Company |

| | |
|---|---|
| "Disposal" | the disposal of Triumphant Target Equity by Triumphant Glory and Geely Target Equity by Geely Auto to Suzhou Aplesi and the assignment of Debt A and Debt B by Triumphant Glory and the Company, respectively, to Suzhou Aplesi |
| "Equity Transfer Agreement" | the Equity Transfer Agreement entered into between Triumphant Glory, Geely Auto and Suzhou Aplesi dated 20 January 2025 pursuant to which Triumphant Glory agreed to sell and Suzhou Aplesi agreed to purchase approximately 24.5% equity interests in the Target Company at a consideration of RMB9,290,000; and Geely Auto agreed to sell and Suzhou Aplesi agreed to purchase approximately 17.0% equity interests in the Target Company at a consideration of RMB5,510,000 |
| "Geely Auto" | Zhejiang Geely Automobile Co., Ltd.* (浙江吉利汽車有限公司), a limited liability company established in the PRC and owned as to 90% by Zhejiang Geely |
| "Geely Target Equity" | the approximately 17.0% equity interest in the Target Company held by Geely Auto prior to the Disposal |
| "GEM" | the GEM of the Stock Exchange |
| "GEM Listing Rules" | the Rules Governing the Listing of Securities on GEM |
| "Group" | the Company and its subsidiaries |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "HKFRS" | Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants |
| "Hong Kong" | Hong Kong Special Administrative Region of the PRC |

| | |
|---|---|
| "Independent Third Party(ies)" | any person(s) or companies and their respective ultimate beneficial owner(s) whom, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is/are third part(ies) independent of the Company and connected persons (as defined under the GEM Listing Rules) of the Company |
| "Mr. Li" | Mr. Li Shufu, a controlling shareholder of the Company who together with his spouse and the companies controlled by him, holds directly and indirectly approximately 59.37% interest in the Company and holds approximately 91.08% equity interest in Zhejiang Geely |
| "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 |
| "Share(s)" | ordinary share(s) in the share capital of the Company |
| "Shareholder(s)" | holder(s) of the Share(s) |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "substantial shareholder" | has the meaning ascribed to it under the GEM Listing Rules |
| "Suzhou Aplesi" | Suzhou Aplesi New Energy Power System Technology Co., Ltd.* (蘇州艾普樂思新能源動力系統科技有限公司), a company incorporated in the PRC with limited liability |
| "Target Company" | Shandong Forever New Energy Technology Co., Ltd.* (山東衡遠新能源科技有限公司), a company incorporated in the PRC with limited liability and an associate of the Company prior to the Disposal |
| "Triumphant Glory" | Triumphant Glory Investments Limited (凱榮投資有限公司), a company incorporated in the British Virgin Islands with limited liability, and a direct wholly-owned subsidiary of the Company |

| | |
|---|---|
| "Triumphant Target Equity" | the approximately 24.5% equity interest in the Target Company held by Triumphant Glory prior to the Disposal |
| "Zhejiang Geely" | Zhejiang Geely Holding Group Co., Ltd.* (浙江吉利控股集團有限公司), a limited liability company established in the PRC, which indirectly owns 18.78% shareholding interest in the Company, and is a connected person of the Company |
| "%" | per cent |

* The English translation of the Chinese name is for identification purposes only and should not be regarded as the official English translation of such name.

*For the purpose of this announcement, unless otherwise indicated, conversion of Renminbi into Hong Kong dollars is calculated at the approximate exchange rate of RMB0.93 to HK$1.00. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.*

On behalf of the Board
**Honbridge Holdings Limited**
**Xu Zhihao**
*Chairman*

Hong Kong, 20 January 2025

*As at the date of this announcement, the Board comprises Mr. Xu Zhihao, Mr. Xu Bing, Mr. Chen Shengjie, Ms. Gu Wenting and Mr. Liu Wei, William, as executive directors; Mr. Yan Weimin as non-executive director 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 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 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 Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its publication and on the website of the Company at www.8137.hk.*