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HONBRIDGE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8137)

DISCLOSEABLE AND CONNECTED TRANSACTION ENTERING INTO THE EQUITY TRANSFER AGREEMENT

THE DISPOSAL

The Board would like to announce that on 21 March 2025 (after trading hours), Honbridge Technology (a wholly-owned subsidiary of the Company), and Zhejiang Zuozhongyou entered into the Equity Transfer Agreement, pursuant to which Honbridge Technology agreed to sell, and Zhejiang Zuozhongyou agreed to purchase approximately 35.56% equity interests in the Target Company at a consideration of RMB1 to be settled in cash.

Upon the completion of the disposal of the Target Equity, Honbridge Technology will not hold any equity interest in the Target Company and the Target Group will cease to be subsidiaries of the Company.

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, Zhejiang Zuozhongyou is a member of the Geely Technology Group which is ultimately controlled by Mr. Li, the controlling shareholder of the Company. Therefore, Zhejiang Zuozhongyou is an associate of Mr. Li and a connected person of the Company.

As the highest applicable percentage ratio is less than 25% and the total consideration is less than HK$10 million, the Disposal constitutes a discloseable and connected transaction for the Company and is subject to the reporting and announcement requirements, but is exempted from the independent shareholders' approval requirement under the GEM Listing Rules.

THE DISPOSAL

The Board would like announce that, on 21 March 2025 (after trading hours), Honbridge Technology and Zhejiang Zuozhongyou entered into the Equity Transfer Agreement, pursuant to which Honbridge Technology, agreed to sell and Zhejiang Zuozhongyou agreed to purchase approximately 35.56% equity interests in the Target Company at a consideration of RMB1.

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

Equity Transfer Agreement

Date

21 March 2025

Parties

Vendor:

Honbridge Technology

Purchaser:

Zhejiang Zuozhongyou

Asset to be disposed

Pursuant to the Equity Transfer Agreement, Honbridge Technology agreed to sell and Zhejiang Zuozhongyou agreed to purchase the Target Equity at a consideration of RMB1.

Upon the completion of the disposal of the Target Equity, Honbridge Technology will not hold any equity interest in the Target Company and the Target Group will cease to be subsidiaries of the Company.

Consideration and its basis of determination

The consideration of the disposal of the Target Equity is RMB1, which was determined between the parties through arm's length negotiation with reference to (i) approximately HK$3.6 million, being the unaudited net liabilities of the Target Group as at 31 December 2024; (ii) audited loss after taxation of the Target Group of approximately HK$107.9 million for the year ended 31 December 2023 and the unaudited loss after taxation of the Target Group of approximately HK$8.7 million for the six months ended 30 June 2024; (iii) the business prospects of the Target Group; 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

Within ten business days after the date of the Equity Transfer Agreement, Zhejiang Zuozhongyou shall pay the consideration of RMB1 in full to Honbridge Technology.

Conditions Precedent

The completion under the Equity Transfer Agreement is subject to the following conditions being satisfied:

1. Zhejiang Zuozhongyou pays Honbridge Technology the consideration of RMB1 in full in accordance with the explicit provision of the Equity Transfer Agreement;

2. the update in the register of shareholders of the Target Company to record the Disposal; and

3. (if applicable) the passing of the necessary resolution(s) by the Shareholders (other than those who are required to abstain from voting under the GEM Listing Rules) at the general meeting of the Company to approve the Equity Transfer Agreement and the transactions contemplated thereunder.

In the event the conditions precedent above are not satisfied on or before 30 June 2025 (or such other date as may be agreed in writing by the parties thereto), the Equity Transfer Agreement shall terminate automatically.

Completion

Completion under the Equity Transfer Agreement shall occur on the date on which the conditions precedent under the Equity Transfer Agreement are satisfied.

Other terms

Honbridge Technology shall procure the three directors of the Target Company nominated by Honbridge Technology to resign from the directorship of the Target Company and Zhejiang Zuozhongyou shall nominate three new directors of the Target Company to fill the vacancies. The parties shall procure the Target Company to complete all the filings to the State Administration for Market Regulation of the PRC in respect of the change of shareholding contemplated under the Equity Transfer Agreement and the change of directors within ten business days after the completion of the Equity Transfer Agreement.

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 (i) research & development and production of lithium-ion power batteries for new energy vehicles; (ii) provision of online car hailing services in Europe; and (iii) investment in the field of resources such as iron ore resources and resources exploration and exploitation as at the date of this announcement. However, as set out in the Company's announcement dated 13 February 2025, the Company intends to terminate the Group's online car-hailing business in France and upon completion of the Disposal, the Company will withdraw from such business.

Target Group

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 research and development of mobile and online applications and provision of transportation service. As at the date of this announcement, the Target Company is owned as to approximately 35.56%, 31.62%, 27.35% and 5.47% by Honbridge Technology, 浙江吉利遠程新能源商用車集團有限公司 (Zheijiang Geely Farizon New Energy Commercial Vehicles Group Co., Ltd.*), Hangzhou Hexijiao and 杭州優行科技有限公司 (Hangzhou UGO Technology Company Limited*), respectively.

As at the date of this announcement, the Target Company has a non-wholly-owned subsidiary, CM Europe, which is a private company limited by shares incorporated under the laws of England and Wales. CM Europe is principally engaged in investment holding while different functions of online car hailing services being carried out by its subsidiaries as follows: (i) Caocao Mobility France, incorporated in France, is principally engaged in human resources, finance and marketing; (ii) Caocao Mobility Paris, incorporated in France, is principally engaged in customer service, vehicles management, online platform and App operation; (iii) ESQ VTC, incorporated in France, is principally engaged in driver management; and (iv) Angeely International, incorporated in France, which is a dormant company.

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

	For the six months ended 30 June	**For the year ended 31 December**	
	2024	**2023**	**2022**
	HK$ million (unaudited)	*HK$ million (audited)*	*HK$ million (audited)*
Revenue	25.4	53.0	51.6
Loss before taxation	8.7	107.9	92.2
Loss after taxation	8.7	107.9	92.2

As of 31 December 2024, the unaudited total assets and net liabilities of the Target Group were approximately HK$51.8 million and HK$3.6 million, respectively.

Honbridge Technology

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

Zhejiang Zuozhongyou

Zhejiang Zuozhongyou is principally engaged in passenger car rental service. Zhejiang Zuozhongyou is a member of the Geely Technology Group which is ultimately controlled by Mr. Li.

REASONS FOR AND THE BENEFITS OF THE DISPOSAL

The Target Group is principally engaged in online car-hailing services in France. As set out in the Company's announcement dated 13 February 2025, the Company fails to perceive the future of the online car-hailing business in France and it is expected that continuous funding will be required to sustain its operation. ESQ VTC, being one of the members of the Target Group, has already filed application for Liquidation judiciaire in France and is in the process of voluntary liquidation.

In deciding to pursue the Disposal, the Company has also considered the Target Group's financial condition. The revenue of the Target Group in the past two years was approximately HK$51.6 million and HK$53.0 million for the years ended 31 December 2022 and 2023, respectively. The Target Group was in loss-making position for many years, and it may encounter liquidity issues in the short term without further capital injection. After assessing the financial position and prospects of the business, the Company believes that terminating such business and proceeding with the Disposal will help avoid further recording of the operating losses of the Target Group, and thus the overall financial performance of the Group is anticipated to improve. Additionally, voluntary liquidation of ESQ VTC may involve lengthy and complex legal processes, potentially extending over a year. The Disposal will allow the Group to better allocate and utilize its financial resources and manpower toward other businesses while enabling management to focus more effectively on business development of the Group's remaining business.

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 are on normal commercial terms and fair and reasonable and although entering into of such agreement 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.

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(s) in Geely Technology Group. 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. 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 therefore none of the Directors is required to abstain from voting on the Board resolutions to approve the Equity Transfer Agreement and the transactions contemplated thereunder.

FINANCIAL EFFECT OF THE POTENTIAL DISPOSAL AND USE OF PROCEEDS

As at the date of this announcement, the Target Company was a subsidiary of the Company and the Target Group's financial results were consolidated in the consolidated financial statements of the Group given (i) Honbridge Technology has the right to nominate the majority of directors on the board of the Target Company; (ii) Honbridge Technology holds approximately 35.56% equity interest in the Target Company; and (iii) Hangzhou Hexijiao holding approximately 27.35% equity interest in the Target Company will vote in the same manner as Honbridge Technology may decide pursuant to the Concert Party Agreement. The Concert Party Agreement will no longer be in force after the Disposal.

Upon the completion of the disposal of the Target Equity, Honbridge Technology will not hold any equity interest in the Target Company and the Target Group will cease to be subsidiaries of the Company. Accordingly, the financial results of the Target Group will no longer be consolidated into the consolidated financial statements of the Company.

It is estimated that upon completion of the Disposal, there will be an unaudited non-cash gain of approximately HK$1.8 million from the Disposal. Such estimated unaudited gain is calculated with reference to (i) the consideration for the disposal of the Target Equity; (ii) the unaudited net liabilities of approximately HK$3.6 million of the Target Company as at 31 December 2024; (iii) release of translation reserves of approximately HK$0.5 million previously recognised in the other comprehensive income in relation to the Target Company; and (iv) derecognition of HK$2.3 million non-controlling interests relation to the Target Company.

As only a nominal consideration of RMB1 is payable in connection with the Disposal, the Group does not expect to receive any net proceeds from the Disposal.

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, Zhejiang Zuozhongyou is a member of the Geely Technology Group which is ultimately controlled by Mr. Li, the controlling shareholder of the Company. Therefore, Zhejiang Zuozhongyou is an associate of Mr. Li and a connected person of the Company.

As the highest applicable percentage ratio is less than 25% and the total consideration is less than HK$10 million, the Disposal constitutes a discloseable and connected transaction for the Company and is subject to the reporting and announcement requirements, but is exempted from the independent shareholders' approval requirement under the GEM Listing Rules.

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
"Concert Party Agreement"	the concert party agreement dated 10 June 2022 between Honbridge Technology and Hangzhou Hexijiao relating to the Target Company, details of which are set out in the Company's announcement dated 10 June 2022
"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"CM Europe"	Caocao Mobility Europe Limited, a company incorporated in England and Wales
"Director(s)"	director(s) of the Company
"Disposal"	the disposal of Target Equity by Honbridge Technology to Zhejiang Zuozhongyou under the Equity Transfer Agreement
"Equity Transfer Agreement"	the Equity Transfer Agreement entered into between Honbridge Technology and Zhejiang Zuozhongyou dated 21 March 2025 pursuant to which Honbridge Technology agreed to sell and Zhejiang Zuozhongyou agreed to purchase approximately 35.56% equity interests in the Target Company at a consideration of RMB1

"Geely Technology"	吉利科技集團有限公司 (Geely Technology Group Co., Ltd.*), a company established in the PRC, an indirect controlling shareholder of the Company and controlled by Mr. Li
"Geely Technology Group"	Geely Technology and its subsidiaries
"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
"Hangzhou Hexijiao"	杭州禾曦嬌科技有限公司 (Hangzhou Hexijiao Technology Company Limited*), a company established in the PRC
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"Honbridge Technology"	Honbridge Technology Limited 洪橋科技有限公司, a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands
"Hong Kong"	the 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 companies controlled by him and his spouse, holds directly and indirectly approximately 54.33% interest in the Company as at the date of this announcement
"PRC"	the People's Republic of China
"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
"Target Company"	吉行國際科技有限公司 (Jixing International Technology Co., Ltd*), a company established in the PRC with limited liability and a subsidiary of the Company prior to the Disposal
"Target Equity"	RMB41,600,000 (equivalent to approximately HK$44,731,183) of the registered capital of the Target Company, representing approximately 35.56% equity interests in the Target Company, to be transferred by Honbridge Technology to Zhejiang Zuozhongyou
"Target Group"	the Target Company and its subsidiaries
"Zhejiang Zuozhongyou"	浙江左中右電動汽車服務有限公司 (Zhejiang Zuozhongyou Electric Vehicle Service Co., Ltd.*), a company established in the PRC
"%"	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, 23 March 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.