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HONBRIDGE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8137)

DISCLOSEABLE TRANSACTIONS AND CONNECTED TRANSACTIONS DISPOSAL OF THE ENTIRE EQUITY INTEREST IN GETI (CHINA) ENERGY AND HANGZHOU GETI INDUSTRIAL

EQUITY TRANSFER AGREEMENTS

The Board announces that on 22 September 2023 (after trading hours), GETI Energy, a direct non-wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreements with Zhejiang Farizon Intelligent, pursuant to which GETI Energy has conditionally agreed to transfer, and Zhejiang Farizon Intelligent has conditionally agreed to acquire, the Sale Interests (representing approximately 100% of the equity interests in GETI (China) Energy and Hangzhou GETI Industrial) at the total consideration of RMB20.0 million.

IMPLICATION OF THE GEM LISTING RULES

Zhejiang Farizon Intelligent is wholly owned by Zhejiang Geely Farizon which in turn is owned as to 50% by Zhejiang Geely and 50% by Geely Group (Ningbo). Zhejiang Geely is a substantial shareholder of the Company and is owned as to 91.08% by Mr. Li, the controlling shareholder of the Company. Geely Group (Ningbo) is wholly-owned by Mr. Li. Therefore, Zhejiang Farizon Intelligent is a connected person of the Company.

Since the Equity Transfer Agreements were entered into with the same purchaser within 12 months of each other, the transactions contemplated under the Equity Transfer Agreements shall be aggregated under the GEM Listing Rules.

As the highest applicable percentage ratio in respect of the Disposals, on an aggregate basis, is more than 5% but less than 25%, the Disposals would constitute discloseable transactions under Chapter 19 of the GEM Listing Rules and connected transactions subject to the reporting, announcement, and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

GENERAL

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, approve, among other matters, the Equity Transfer Agreements and the transactions contemplated thereunder.

A circular containing, among other things, (i) further information of the Equity Transfer Agreements; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the aforesaid; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the aforesaid; and (iv) other information as required under the GEM Listing Rules, together with the notice convening the EGM, will be despatched to the Shareholders on or before 16 October 2023.

Completion is subject to the satisfaction of the conditions precedent under the Equity Transfer Agreements and therefore, may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

The Board announces that on 22 September 2023 (after trading hours), GETI Energy, a direct non-wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreements with Zhejiang Farizon Intelligent, pursuant to which GETI Energy has conditionally agreed to transfer, and Zhejiang Farizon Intelligent has conditionally agreed to acquire, the Sale Interests (representing approximately 100% of the equity interests in GETI (China) Energy and Hangzhou GETI Industrial) at the total consideration of RMB20.0 million.

EQUITY TRANSFER AGREEMENTS

Each of the Equity Transfer Agreements contains substantially similar terms and conditions except for the identity of the target company being acquired and the amount of the consideration payable. Each of the Equity Transfer Agreements is independent of and not inter-conditional on one another.

Set out below are the principal terms of the Equity Transfer Agreements:

Date

22 September 2023 (after trading hours)

Parties

Vendor: GETI Energy

Purchaser: Zhejiang Farizon Intelligent

Subject Matter

Pursuant to the GETI (China) Equity Transfer Agreement, GETI Energy has conditionally agreed to transfer, and Zhejiang Farizon Intelligent has conditionally agreed to acquire, the 100% of the equity interests in GETI (China) Energy at the consideration of RMB20.0 million.

Pursuant to the Hangzhou GETI Equity Transfer Agreement, GETI Energy has conditionally agreed to transfer, and Zhejiang Farizon Intelligent has conditionally agreed to acquire, the 100% of the equity interests in Hangzhou GETI Industrial at nil consideration.

Consideration and payment terms of the Disposals

The consideration payable by Zhejiang Farizon Intelligent to GETI Energy for the Sale Interests is RMB20.0 million which shall be fully settled in cash on Completion.

Completion

Completion is subject to the satisfaction of (or waiver), among others, the following conditions precedent:

- (i) the statements, warranties and commitments of GETI Energy and Zhejiang Farizon Intelligent are true, complete, accurate and effective and all obligations of each of them have been fulfilled as agreed;
- (ii) the full support and assistance provided by GETI Energy in the due diligence on GETI (China) Energy and Hangzhou GETI Industrial in accordance with the reasonable requirements of Zhejiang Farizon Intelligent;

- (iii) Zhejiang Farizon Intelligent receiving a valid shareholder's resolution (if applicable) provided by GETI Energy in accordance with applicable laws and the articles of association of GETI (China) Energy and Hangzhou GETI Industrial, in which GETI Energy agrees to the equity transfer under the Equity Transfer Agreements and waives in writing its right of first refusal on any part of the transferred equity. Furthermore, (if applicable) approval from Shareholders at an extraordinary general meeting or written Shareholders' approval being obtained for the equity transfer transaction under the Equity Transfer Agreements and the transactions contemplated thereunder in accordance with the GEM Listing Rules;
- (iv) GETI (China) Energy and Hangzhou GETI Industrial not experienced nor likely to experience any events that would cause Zhejiang Farizon Intelligent to believe that there is material adverse effect on GETI (China) Energy and Hangzhou GETI Industrial; and
- (v) unless prior written disclosures has been given to Zhejiang Farizon Intelligent and consent has been given by Zhejiang Farizon Intelligent, GETI (China) Energy's and Hangzhou GETI Industrial's business shall not undergo any changes that Zhejiang Farizon Intelligent would consider to be substantial.

The Equity Transfer Agreements shall become unconditional from the date upon which the conditions precedent have been fulfilled or, as the case may be, waived.

Completion is subject to the satisfaction of the conditions precedent under the Equity Transfer Agreements and therefore, may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Basis of Consideration

The consideration was determined by the parties after arm's length negotiations with reference to the unaudited net assets of GETI (China) Energy of approximately RMB19.3 million and the unaudited net liabilities of Hangzhou GETI Industrial of approximately RMB0.1 million as at 31 August 2023, based on their respective PRC management accounts.

INFORMATION ON GETI (CHINA) ENERGY AND HANGZHOU GETI INDUSTRIAL

GETI (China) Energy is a limited liability company established in the PRC on 25 June 2019 with a registered capital of RMB60 million and paid-up capital of RMB60 million. It is principally engaged in the provision of battery swapping services to the riders of electric bicycles.

Hangzhou GETI Industrial is a limited liability company established in the PRC on 25 February 2019 with a registered capital of RMB1 million and paid-up capital of nil. It is a dormant company.

As at the date of this announcement, GETI (China) Energy and Hangzhou GETI Industrial are wholly-owned by GETI Energy.

According to the audited management accounts of GETI (China) Energy and unaudited management accounts of Hangzhou GETI Industrial, the financial information of GETI (China) Energy and Hangzhou GETI Industrial for the years ended 31 December 2021 and 2022 prepared in accordance with the PRC Accounting Standards is set out below:

	For the year ended	
	31 December	
	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>
GETI (China) Energy		
Revenue	5,086	5,771
Net loss before taxation	9,958	12,903
Net loss after taxation	9,958	12,903
Net assets	41,240	28,337

	For the year ended	
	31 December	
	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Hangzhou GETI Industrial		
Revenue	Nil	Nil
Net loss before taxation	26	3
Net loss after taxation	26	3
Net liabilities	97	100

FINANCIAL EFFECT OF THE DISPOSALS AND USE OF PROCEEDS

Upon the Completion, (i) GETI Energy will no longer hold any equity interest in GETI (China) Energy or Hangzhou GETI Industrial and they will cease to be subsidiaries of the Company; and (ii) the financial results of the GETI (China) Energy and Hangzhou GETI Industrial will no longer be consolidated into the financial statements of the Group.

It is estimated that the Company will record a gain of approximately HKD30.1 million from the Disposals, which is calculated as the difference between (i) the consideration payable to GETI Energy under the Disposals and (ii) the carrying amount of the assets and liabilities of the GETI (China) Energy and Hangzhou GETI Industrial under HKFRS (the unaudited net liabilities of GETI (China) Energy and Hangzhou GETI Industrial as of 30 June 2023 prepared in accordance with the HKFRS were approximately HKD7.5 million and HKD0.1 million, respectively) and (iii) release of translation reserve previously recognised in the other comprehensive income in relation to GETI (China) Energy and Hangzhou GETI Industrial.

After deducting the expenses relating to the Disposals, the net proceeds of approximately HKD21.4 million is expected to be applied towards general working capital and business development (including future potential acquisitions) of the Group.

Shareholders should note that the financial effect shown above is for reference only and the actual financial effect of the Disposals to be recognised by the Group will subject to the then financial position of GETI (China) Energy and Hangzhou GETI Industrial and subject to review by the auditors.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Company initially established GETI (China) Energy and Hangzhou GETI Industrial in 2019 for purposes of the provision of battery swapping services to the riders of electric bicycles. However, in recent years sales of GETI (China) Energy and Hangzhou GETI Industrial have been unsatisfactory due to, among others high level of competition in the market. Thus, the businesses of GETI (China) Energy and Hangzhou GETI Industrial have been unprofitable since they were launched. Furthermore, the businesses of GETI (China) Energy and Hangzhou GETI Industrial are capital intensive and currently facing financial difficulties with only limited available working capital. Accordingly, the Directors considered that the business prospects of GETI (China) Energy and Hangzhou GETI Industrial are uncertain and that further allocation of capital resources to GETI (China) Energy and Hangzhou GETI Industrial may no longer serve the best interests of the Group.

In addition, the Company has been looking for investment and cooperation opportunities in resources and new energy sectors. The Board believes that the lithium battery industry chain will be similar to the steel industry chain, and the profitability will be tilted towards the upstream of the industry chain, which is the resource sector. Accordingly, it has previously identified a brine lithium extraction project for potential acquisition which is not only a resource project, but also the upstream of the Company's lithium battery industry chain, which is in line with the Company's development strategy (for further details, please refer to the Company's announcements dated 6 April 2023 and 22 August 2023).

In light of the aforesaid, the Directors considered the Disposals would be a good opportunity for the Group to recover its earlier investments in GETI (China) Energy which would enable the Group to better reallocate its resources and also to simplify its corporate structure. As aforementioned, the proceeds from the Disposals would be applied towards general working capital and business development (including future potential acquisitions) of the Group.

In light of the above, the Directors (excluding the independent non-executive Directors whose views will be given after considering the advice of the Independent Financial Adviser) are of the view that the Disposals are on normal commercial terms, and the terms of the Equity Transfer Agreements and the Disposals are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE 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, electric bicycle battery swapping services and research and exploration of iron ores.

GETI Energy

GETI Energy is a direct non-wholly owned subsidiary of the Company and is principally engaged in investment holding.

Zhejiang Farizon Intelligent

Zhejiang Farizon Intelligent is principally engaged in new energy vehicle sales, auto parts research and development and auto parts wholesale, etc. Mr. Li is the ultimate controlling shareholder of Zhejiang Farizon Intelligent.

IMPLICATION OF THE GEM LISTING RULES

Zhejiang Farizon Intelligent is wholly owned by Zhejiang Geely Farizon which in turn is owned as to 50% by Zhejiang Geely and 50% by Geely Group (Ningbo). Zhejiang Geely is a substantial shareholder of the Company and is owned as to 91.08% by Mr. Li, the controlling shareholder of the Company. Geely Group (Ningbo) is wholly-owned by Mr. Li. Therefore, Zhejiang Farizon Intelligent is a connected person of the Company.

Since the Equity Transfer Agreements were entered into with the same purchaser within 12 months of each other, the transactions contemplated under the Equity Transfer Agreements shall be aggregated under the GEM Listing Rules. As the highest applicable percentage ratio in respect of the Disposals, on an aggregate basis, is more than 5% but less than 25%, the Disposals would constitute discloseable transactions under Chapter 19 of the GEM Listing Rules and connected transactions subject to the reporting, announcement, and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

None of the Directors has a material interest in the Disposals for which he/she shall be required to abstain from voting on the Board resolutions approving the Disposals.

GENERAL

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, approve, among other matters, the Equity Transfer Agreements and the transactions contemplated thereunder.

Voting at the EGM will be conducted by way of poll. Zhejiang Geely indirectly holds 18.78% of the total issued shares of the Company through Geely International and Mr. Li holds 91.08% equity interest of Zhejiang Geely and 100% equity interest of Geely Group Limited (which is the controlling shareholder holding 68.86% equity interest of Hong Bridge Capital Limited). Mr. Li, his spouse, Geely Group Limited, Hong Bridge Capital Limited and Geely International are each Shareholders of the Company. As Mr. Li is considered to be interested in the Equity Transfer Agreements, Mr. Li and his associates are required to and will abstain from voting on the resolutions approving the Equity Transfer Agreements at the EGM.

A circular containing, among other things, (i) further information of the Equity Transfer Agreements; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the aforesaid; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent

Shareholders in relation to the aforesaid; and (iv) other information as required under the GEM Listing Rules, together with the notice convening the EGM, will be despatched to the Shareholders on or before 16 October 2023.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Honbridge Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the GEM (Stock code: 8137)
“Completion”	the completion of the Disposal
“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
“Director(s)”	the director(s) of the Company
“Disposals”	the disposals of 100% equity interest in GETI (China) Energy and Hangzhou GETI Industrial by GETI Energy to Zhejiang Farizon Intelligent pursuant to the Equity Transfer Agreements
“EGM”	an extraordinary general meeting of the Company to be held for the Independent Shareholders to consider and, if thought fit, approve the Equity Transfer Agreements and the transactions contemplated thereunder
“Equity Transfer Agreements”	collectively, the GETI (China) Equity Transfer Agreement and the Hangzhou GETI Equity Transfer Agreement
“Geely International”	Geely International (Hong Kong) Limited (吉利國際(香港)有限公司), a company incorporated in Hong Kong and is a substantial shareholder of the Company
“Geely Group (Ningbo)”	吉利集團(寧波)有限公司 transliterated as Geely Group (Ningbo) Co., Ltd.*, a company established in the PRC with limited liability

“GETI (China) Equity Transfer Agreement”	equity transfer agreement dated 22 September 2023 and entered into among GETI Energy and Zhejiang Farizon Intelligent, pursuant to which GETI Energy has conditionally agreed to transfer, and Zhejiang Farizon Intelligent has conditionally agreed to acquire, 100% of the equity interests in Geely (China) Energy at the consideration of RMB20.0 million
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“GETI (China) Energy”	吉遞(中國)能源科技有限公司 transliterated as GETI (China) Energy Technology Co., Ltd.*, a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
“GETI Energy”	GETI Energy Sharing Technology Company Limited (吉遞能源共享科技有限公司), a company incorporated in the British Virgin Islands with limited liability, and a direct non-wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hangzhou GETI Equity Transfer Agreement”	equity transfer agreement dated 22 September 2023 and entered into among GETI Energy and Zhejiang Farizon Intelligent, pursuant to which GETI Energy has conditionally agreed to transfer, and Zhejiang Farizon Intelligent has conditionally agreed to acquire, 100% of the equity interests in Hangzhou GETI Industrial at nil consideration
“Hangzhou GETI Industrial”	杭州吉遞實業有限公司 transliterated as Hangzhou GETI Industrial Co., Ltd.*, a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
“HKD”	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 Board Committee”	the independent committee of the Board, comprising Mr. Chan Chun Wai, Tony, Mr. Ma Gang and Mr. Ha Chun, all of whom are independent non-executive Directors, formed to advise the Independent Shareholders as to the Equity Transfer Agreements and the transactions contemplated thereunder
“Independent Financial Adviser”	the independent financial adviser to be appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders as to the Equity Transfer Agreements and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the EGM, refer to shareholders other than Mr. Li, and his associates (including Ms. Wang Li (Mr. Li’s spouse), Geely Group Limited, Hong Bridge Capital Limited, Geely International) for the purpose of approving the Equity Transfer Agreements and the transactions contemplated thereunder
“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 61.61% 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
“Sale Interests”	representing approximately 100% of the equity interests in GETI (China) Energy and Hangzhou GETI Industrial held by GETI Energy prior to the Completion
“Shareholder(s)”	the holder(s) of the share(s) of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Zhejiang Farizon Intelligent”	浙江遠程智能交通技術有限公司, transliterated as Zhejiang Farizon Intelligent Transportation Technology Co., Ltd.*, a limited liability company established in the PRC
“Zhejiang Geely”	浙江吉利控股集團有限公司, transliterated as Zhejiang Geely Holding Group Co. Ltd.*, a limited liability company established in the PRC
“Zhejiang Geely Farizon”	浙江吉利遠程新能源商用車集團有限公司, transliterated as Zhejiang Geely Farizon New Energy Commercial Vehicle Group Co., Ltd.*, a limited liability 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, the exchange rate of HKD1.00 = RMB0.92 has been used, where applicable, for illustration purpose only and does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.

On behalf of the Board
Honbridge Holdings Limited
He Xuechu
Chairman

Hong Kong, 22 September 2023

As at the date of this announcement, the Board comprises Mr. He Xuechu, Mr. Liu Jian 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.