

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Honbridge Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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HONBRIDGE HOLDINGS LIMITED

洪橋集團有限公司

(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
AND
NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 5 to 14 of this circular and a letter from the Independent Board Committee to the Independent Shareholders is set out on pages 15 to 16 of this circular. A letter from Lego Corporate Finance Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and Independent Shareholders is set out on pages 17 to 28 of this circular.

A notice convening the EGM to be held at Unit 5402, 54th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Monday, 13 November 2023, at 10:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301–04, 33rd Floor, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the EGM or adjourned meeting thereof should you so wish.

This circular 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. This circular will also be published on the Company’s website at www.8137.hk.

27 October 2023

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

| | <i>Page</i> |
|--|-------------|
| Definitions | 1 |
| Letter from the Board | 5 |
| Letter from the Independent Board Committee | 15 |
| Letter from the Independent Financial Adviser | 17 |
| Appendix — General Information | I-1 |
| Notice of Extraordinary General Meeting | EGM-1 |

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

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| “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 whose shares are listed on the GEM (Stock code: 8137) |
| “Completion” | the completion of the Disposals |
| “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 disposal 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 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 |
| “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 |
| “GEM” | the GEM of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on the GEM |

DEFINITIONS

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| “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 (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 |
| “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 |

DEFINITIONS

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| “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” | Lego Corporate Finance Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities as defined under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and the independent financial adviser appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders in relation 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 and Geely International) for the purpose of approving the Equity Transfer Agreements and the transactions contemplated thereunder |
| “Latest Practicable Date” | 24 October 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein |
| “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 circular excluding Hong Kong, the Macau Special Administrative Region and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Sale Interests” | representing 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 |

DEFINITIONS

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| “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 incorporated in the PRC, which owns 100% equity interest in Geely International |
| “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 circular, 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 circular between the Chinese and English versions, the English version shall prevail.

Certain amounts and percentage figures set out in this circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables and the currency conversion or percentage equivalents may not be an arithmetic sum of such figures.

LETTER FROM THE BOARD



HONBRIDGE HOLDINGS LIMITED

洪橋集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8137)

Executive Directors:

Mr. HE Xuechu (*Chairman*)

Mr. LIU Jian (*Vice Chairman and
Joint Chief Executive Officer*)

Mr. LIU Wei, William
(*Joint Chief Executive Officer*)

Registered office:

P.O. Box 31119
Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

Non-Executive Director:

Mr. YAN Weimin

*Principal place of business
in Hong Kong:*

Unit 5402, 54th Floor
Central Plaza
18 Harbour Road
Wanchai, Hong Kong

Independent Non-executive Directors:

Mr. CHAN Chun Wai, Tony

Mr. MA Gang

Mr. HA Chun

27 October 2023

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTIONS AND CONNECTED TRANSACTIONS
DISPOSAL OF THE ENTIRE EQUITY INTEREST IN
GETI (CHINA) ENERGY AND HANGZHOU GETI INDUSTRIAL
AND
NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

LETTER FROM THE BOARD

INTRODUCTION

Reference is made to the announcement of the Company dated 22 September 2023 in relation to, among others, the Equity Transfer Agreements, pursuant to which GETI Energy has conditionally agreed to transfer, and Zhejiang Farizon Intelligent has conditionally agreed to acquire, the Sale Interests (representing 100% of the equity interests in GETI (China) Energy and Hangzhou GETI Industrial) at the total consideration of RMB20.0 million.

An Independent Board Committee has been established to advise the Independent Shareholders in respect of the terms of the Equity Transfer Agreements and the transactions contemplated thereunder. In this respect, Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

The purpose of this circular is to provide you with, among others, (i) information on the Equity Transfer Agreements and the transactions contemplated thereunder; (ii) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iii) the recommendation from the Independent Board Committee; and (iv) a notice of EGM.

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.

LETTER FROM THE BOARD

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.

Under each of the Equity Transfer Agreements, the parties agree that the payment of the consideration is conditional upon (i) such agreement becoming effective according to the agreed conditions; (ii) the completion of registration with the relevant administration for industry and commerce in the PRC in accordance with the law and Zhejiang Farizon Intelligent holding 100% of the relevant equity interest without encumbrance or defects; and (iii) GETI Energy and related parties having fulfilled responsibilities under such agreement and other signed agreements. After meeting the agreed payment conditions, Zhejiang Farizon Intelligent will pay the consideration into GETI Energy's account.

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.

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, if applicable, waives in writing any right of first refusal on any part of the transferred equity. Furthermore, (if applicable) approval from Shareholders at an extraordinary

LETTER FROM THE BOARD

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.

Save for condition (i) above, none of the above conditions can be waived. There is no long stop date specified in the Equity Transfer Agreements, and the parties intend to complete the Equity Transfer Agreements as soon as practicable after obtaining the Shareholders' approval at the EGM. Thereafter, the parties will proceed with the registration of the transfer of equity interests with the relevant PRC authority which is expected to take place on or before 31 December 2023.

As of the Latest Practicable Date, none of the conditions precedent have been satisfied and/or waived.

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, despite four years have elapsed since the establishment of such companies and the diminished effects of COVID-19 on the market, the sales of GETI (China) Energy have been unsatisfactory and the businesses of GETI (China) Energy and Hangzhou GETI Industrial have been unprofitable since they were launched. It is not optimistic to turn the business around due to, among others high level of competition in the market. 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.

LETTER FROM THE BOARD

In addition, the Company has been looking for investment and cooperation opportunities in resources and new energy sectors. The Board believes that the upstream of the lithium battery industry chain, which involves lithium mines, shares similarities to the upstream of the steel industry chain which involves iron mines. Standardised products are produced by using the raw materials derived from these two types of mines respectively. These products are traded on an open market with relatively transparent price and there is an anticipated long term demand for them. The Board further believes that the profitability in the abovementioned industry chains will be skewed towards the upstream over the long term. 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). Save for the potential transactions disclosed above, no other potential acquisition targets have been identified by the Company as at the Latest Practicable Date. The Company will issue further announcement(s) of the above potential acquisitions as and when appropriate when the transactions materialise.

In light of the aforesaid particularly the time already given to explore the potential of these companies, the high level of competition in the market and financial conditions of these companies, the Directors considered the Disposals at this stage 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 (including the independent non-executive Directors whose views are 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 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 circular, GETI (China) Energy and Hangzhou GETI Industrial are wholly-owned by GETI Energy.

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| LETTER FROM THE BOARD |
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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 |

As at 31 December 2022, the major assets of GETI (China) Energy mainly comprised: (i) bank and cash of approximately RMB21.5 million; (ii) property, plant and equipment of approximately RMB10.5 million; and (iii) intangible assets of approximately RMB7.4 million which include various platform and system research and development such as those relating to battery swapping services. As at 31 December 2022, the major liabilities GETI (China) Energy mainly comprised: (i) trade payables of approximately RMB9.5 million; and (ii) other payables of approximately RMB6.2 million.

| | 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 |

As at 31 December 2022, the major assets of Hangzhou GETI Industrial mainly comprised of bank and cash of approximately RMB1.2 million. As at 31 December 2022, the major liabilities Hangzhou GETI Industrial mainly comprised of the amount due to GETI (China) Energy of approximately RMB1.3 million.

LETTER FROM THE BOARD

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 (*Note*)) 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.

Note:

A reconciliation of the net asset value of GETI (China) Energy in the PRC management account (which is used as the reference to determine the consideration) to the net asset value prepared in accordance with HKFRS as at 30 June 2023 is set out below:

| | <i>HKD'000</i> |
|--|----------------|
| Net asset value as at 30 June 2023 the PRC management account | 22,224 |
| Less: Adjustments in accordance with HKFRS* | 29,768 |
| Net liabilities value as at 30 June 2023 prepared in accordance with HKFRS | 7,544 |

* Nature of major adjustments:

- impairment of property, plant and equipment of approximately HKD10.2 million;
- intangible assets capitalised under PRC accounting standards are not qualified to be capitalised under HKFRS and the amount was recognised as an expense of approximately HKD8.3 million; and
- provision for contingent liabilities of approximately HKD12.5 million.

No adjustment was made in accordance with HKFRS for the PRC management account of Hangzhou GETI Industrial.

LETTER FROM THE BOARD

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.

IMPLICATIONS UNDER 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.

EGM

The EGM will be held at Unit 5402, 54th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Monday, 13 November 2023, at 10:00 a.m. to seek the Independent Shareholder's approval for the Equity Transfer Agreements and the transactions contemplated thereunder.

LETTER FROM THE BOARD

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 in 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, Ms. Wang Li (Mr. Li's spouse), Geely Group Limited, Hong Bridge Capital Limited and Geely International are each Shareholders of the Company holding 103,064,000 Shares, 50,000,000 Shares, 2,829,000 Shares, 4,065,000,000 Shares and 1,850,675,675 Shares, respectively, representing approximately 1.04%, 0.51%, 0.03%, 41.25% and 18.78% of the total issued share capital of the Company, respectively. 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 to be proposed at the EGM for approving the above matters. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, other than Mr. Li and his associates which held 6,071,568,675 Shares (representing approximately 61.61% of the total issued share capital of the Company), no other Shareholder will be required to abstain from voting on the resolutions approving the aforesaid matters at the EGM.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be made by the Company after the EGM in accordance with Rule 17.47(5) of the GEM Listing Rules.

A notice convening the EGM is set out on pages EGM-1 and EGM-3 of this circular. A proxy form for use at the EGM is enclosed herewith. If you are not able to attend the EGM, you are requested to complete the proxy form and return it to the Company's share registrar, Union Registrars Limited at Suites 3301-04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

None of the Directors has material interest in the Equity Transfer Agreements and accordingly, none of them was required to abstain from voting on the Board resolution(s) considering and approving the same.

To be eligible to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong no later than 4:00 p.m. on Tuesday, 7 November 2023.

LETTER FROM THE BOARD

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chan Chun Wai, Tony, Mr. Ma Gang and Mr. Ha Chun, has been formed to advise the Independent Shareholders as to whether the Equity Transfer Agreements and the transactions contemplated thereunder are entered into on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Lego Corporate Finance Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer Agreements and the transactions contemplated thereunder, in accordance with the GEM Listing Rules.

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 15 to 16 of this circular which contains its recommendation to the Independent Shareholders as to voting at the EGM.

Your attention is also drawn to the letter from Independent Financial Adviser as set out on pages 17 to 28 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer Agreements and the transactions contemplated thereunder.

RECOMMENDATION

Having considered the above, the Directors consider that the terms of the Equity Transfer Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Equity Transfer Agreements and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information contained in the appendix to this circular.

Yours faithfully,
On behalf of the Board
Honbridge Holdings Limited
Liu Wei, William
Director and Joint Chief Executive Officer



HONBRIDGE HOLDINGS LIMITED

洪橋集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8137)

27 October 2023

To the Independent Shareholders

Dear Sir or Madam,

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

We refer to the circular of the Company dated 27 October 2023 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed as members of the Independent Board Committee to consider the terms of the Equity Transfer Agreements and the transactions contemplated thereunder, to advise you as to whether such terms are fair and reasonable so far as the Company and the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole, and to recommend whether or not the Independent Shareholders should approve the Equity Transfer Agreements and the transactions contemplated thereunder. Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise us and you in this regard.

We wish to draw your attention to the letter from the Board set out on pages 5 to 14 of this Circular and the letter from the Independent Financial Adviser set out on pages 17 to 28 of this Circular which contains its advice to us and Independent Shareholders in respect of the Equity Transfer Agreements and the transactions contemplated thereunder, and the additional information set out in the appendix to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taking into account, among other things, the principal factors and reasons considered by and the opinion of the Independent Financial Adviser as stated in its letter of advice, we consider that, although the transactions contemplated under the Equity Transfer Agreements are not in the ordinary and usual course of business of the Group, the terms of the Equity Transfer Agreements and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Equity Transfer Agreements and the transactions completed thereunder.

Yours faithfully,
For and on behalf of the
Independent Board Committee

CHAN Chun Wai Tony

MA Gang

HA Chun

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser setting out the advice to the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer Agreements and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.



27 October 2023

To the Independent Board Committee and the Independent Shareholders

Dear Sirs and Madams,

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

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Equity Transfer Agreements and the transactions contemplated thereunder, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 27 October 2023 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

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

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. The Disposals constitute connected transactions of the Company subject to the reporting, announcement, and the Independent Shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 also constitute discloseable transactions of the Company under Chapter 19 of the GEM Listing Rules.

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

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chan Chun Wai, Tony, Mr. Ma Gang and Mr. Ha Chun, has been established to advise the Independent Shareholders as to whether the Equity Transfer Agreements and the transactions contemplated thereunder are entered into on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We, Lego Corporate Finance Limited, have been appointed by the Company as the Independent Financial Adviser in accordance with the GEM Listing Rules to advise the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer Agreements and the transactions contemplated thereunder and to make recommendations as to, among others, whether the terms of the Equity Transfer Agreements and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Independent Shareholders as a whole, and as to voting in respect of the relevant resolution(s) at the EGM.

As at the Latest Practicable Date, Lego Corporate Finance Limited did not have any relationships or interests with the Company that could reasonably be regarded as relevant to the independence of Lego Corporate Finance Limited. During the past two years, Lego Corporate Finance Limited was engaged to act as the independent financial adviser to the then independent board committee and independent shareholders of the Company in relation to continuing connected transactions of the Company, details of which are set out in the announcement of the Company dated 11 September 2023. Save for the aforesaid and the engagement in connection with the Disposals, we had not been engaged by the Company for provision of other services that would affect our independence. As at the Latest Practicable Date, save for the normal professional fees for our services provided to the Company in relation to the engagements described above, there were no other arrangements whereby we would receive any fees and/or benefits from the Group, therefore we consider such relationship would not affect our independence. Apart from normal professional fees paid or payable to us in connection with the engagement described above and this appointment as the Independent Financial Adviser, no arrangements exist whereby we have received or will receive any fees or benefits from the Group. Accordingly, we are independent under Rule 17.96 of the GEM Listing Rules and qualified to give independent advice in respect of the terms of the Equity Transfer Agreements and the transactions contemplated thereunder.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the Equity Transfer Agreements; (ii) the annual report of the Company for the year ended 31 December 2022 (“**Annual Report 2022**”) and the interim report of the Company for the six months ended 30 June 2023 (“**Half Year Report 2023**”); (iii) the information and facts contained or referred to in the Circular; (iv) the information provided by the Group; (v) the opinions expressed by and the representations of the Directors and the management of the Group (“**Management**”); and (vi) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us by the Directors and/or the Management for which they are solely and wholly responsible for, or contained or referred to in the Circular were true, accurate and complete in all respects as at the date hereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and may be relied upon. We have also assumed that all such statements of belief, opinions and intentions of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and/or the Management. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the Management are true, accurate, complete and not misleading in all respects at the time they were made. The Company shall inform the Independent Shareholders as soon as practicable if there is any material change to such information as at the Latest Practicable Date.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In giving our recommendation to the Independent Board Committee and the Independent Shareholders in respect to the Equity Transfer Agreements and the transactions contemplated thereunder, we have taking into consideration the following factors and reasons:

1. Background information of 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out in Table 1 below is certain financial information of the Group for each of the two years ended 31 December 2021 and 2022 as extracted from the Annual Report 2022, and the six months ended 30 June 2022 and 2023 as extracted from the Half Year Report 2023, respectively.

Table 1: Financial information of the Group

| | For the year ended | | For the six months | |
|---|---------------------------|--------------------------|---------------------------|--------------------|
| | 31 December | | ended 30 June | |
| | 2022 | 2021 | 2023 | 2022 |
| | <i>(audited)</i> | <i>(audited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| | <i>HKD'000</i> | <i>HKD'000</i> | <i>HKD'000</i> | <i>HKD'000</i> |
| Revenue | | | | |
| — Mineral resources exploration and trading | — | — | — | — |
| — Lithium battery production | 109,097 | 473,087 | 106,164 | 34,614 |
| — Battery swapping services | 7,165 | 5,830 | 2,450 | 2,618 |
| — Online car-hailing and related services | 21,394 | — | 27,307 | — |
| Total | 137,656 | 478,917 | 135,921 | 37,232 |
| (Loss)/Profit for the year/period attributable to owners of the Company | (199,156) | 88,500 | (38,759) | (89,621) |
| | | | As at | 30 June |
| | | As at 31 December | | 2023 |
| | | 2021 | 2022 | |
| | | <i>(audited)</i> | <i>(audited)</i> | <i>(unaudited)</i> |
| | | <i>HKD'000</i> | <i>HKD'000</i> | <i>HKD'000</i> |
| Non-current assets | 6,621,889 | 7,089,984 | 7,764,728 | |
| Current assets | 686,759 | 440,765 | 389,134 | |
| Current liabilities | 264,697 | 184,132 | 328,775 | |
| Net current assets | 422,062 | 256,633 | 60,359 | |
| Non-current liabilities | 2,358,160 | 2,639,610 | 2,710,394 | |
| Net assets | 4,685,791 | 4,707,007 | 5,114,693 | |

For the year ended 31 December 2022

For the year ended 31 December 2022, the Group recorded revenue of approximately HKD137.7 million, representing a substantial decrease of approximately 71.2% as compared to that of approximately HKD478.9 million recorded for the previous year. According to the Annual Report 2022 and as illustrated in Table 1 above, such

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

decrease in revenue was mainly resulted from the decrease from the segmental revenue from lithium battery production from approximately HKD473.1 million for the year ended 31 December 2021 to approximately HKD109.1 million for the year ended 31 December 2022, showing a decline of approximately 76.9%, which was primarily due to the decrease of lithium-ion batteries orders from Volvo Car, a major customer of the Group.

For the year ended 31 December 2022, the Group recorded loss attributable to owners of the Company of approximately HKD199.2 million, as opposed to the profit attributable to owners of the Company of approximately HKD88.5 million for the previous year. With reference to the Annual Report 2022, it is noted that the loss-making performance for the year ended 31 December 2022 was mainly resulted from (i) the provision made in relation to repayment of government grants for the year ended 31 December 2022 of approximately HKD151.8 million which was absent in the previous year and a net loss of approximately HKD63.0 million on financial assets at fair value through profit or loss against a gain of approximately HKD119.8 million as recorded in the previous year; (ii) a decrease in gross profit from approximately HKD115.1 million to approximately HKD24.9 million primarily due to the decrease in revenue as described in the above paragraph; and (iii) impairment on property, plant and equipment of approximately HKD30.0 million for the year ended 31 December 2022 as increased from approximately HKD18.2 million for the previous year.

As at 31 December 2022, the Group recorded net current assets and net assets of approximately HKD256.6 million and approximately HKD4,707 million, respectively. The decrease in net current assets was primarily due to the decrease in financial assets at fair value through profit or loss and cash and cash equivalents, the effect of which was more than the decrease in current liabilities.

For the six months ended 30 June 2023

For the six months ended 30 June 2023, the Group recorded revenue of approximately HKD135.9 million, representing an increase of approximately 265.3% as compared to that of approximately HKD37.2 million for the previous corresponding period. According to the Half Year Report 2023, such period-on-period increase in revenue was primarily attributable to (i) the increase in segmental revenue from lithium battery production from approximately HKD34.6 million for the six months ended 30 June 2022 to approximately HKD106.2 million for the six months ended 30 June 2023, demonstrating a growth of approximately 206.9% due to the substantial increase in lithium-ion batteries orders for major product of the Group which only commenced mass production in mid-June 2022; and (ii) the revenue derived from the new online car-hailing and related services business segment of approximately HKD27.3 million, while no such service income was recorded from the previous corresponding period.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the six months ended 30 June 2023, the Group recorded loss attributable to owners of the Company of approximately HKD38.8 million, which has narrowed from the loss attributable to owners of the Company of approximately HKD89.6 million for the previous corresponding period. With reference to the Half Year Report 2023, we noted that such reduction in loss was mainly attributed to (i) the increase in gross profit resulted from the increase in revenue as described in the above paragraph; and (ii) the decrease in net loss on financial assets at fair value through profit or loss from approximately HKD66.4 million for the six months ended 30 June 2022 to HKD19.4 million for the six months ended 30 June 2023 due to the relatively stable share price performance of the listed investments owned by the Group during the period.

As at 30 June 2023, the Group recorded net current assets and net assets of approximately HKD60.4 million and approximately HKD5,114.7 million, respectively. The decrease in net current assets was primarily due to the decrease in financial assets at fair value through profit or loss and cash and cash equivalents, as well as the provision of approximately HKD145.0 million in respect of the anticipated repayment of government grants, which was absent as at 30 June 2022.

2. Background information and financial overview of GETI (China) Energy and Hangzhou GETI Industrial

With reference from the Letter from the Board, 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. GETI (China) Energy has a total of 676, 448 and 448 battery swapping stations as at 31 December 2021, 31 December 2022 and 30 June 2023, respectively. As at 30 June 2023, GETI (China) Energy had a total of 448 battery swapping stations with 4,715 batteries, of which 79 battery swapping stations with a total of 1,311 batteries were currently in operation in Yangzhou, the PRC. GETI (China) Energy had a total of 2,242, 960 and 286 package users as at 31 December 2021, 31 December 2022 and 30 June 2023, respectively. In view of the keen competition of the main battery swapping business and the network created from such business, the Group has attempted to expand and tap into the provision of delivery service for online shops during 2022, where GETI (China) Energy provides delivery service for merchandises through outsourcing of drivers and receives service incomes from online shops.

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.

Set out below is the key financial information of GETI (China) Energy for each of the two years ended 31 December 2021 and 2022, respectively, as extracted from the Letter from the Board.

| |
|--|
| LETTER FROM THE INDEPENDENT FINANCIAL ADVISER |
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Table 2: Financial information of GETI (China) Energy and Hangzhou GETI Industrial

| | For the year ended/ As at 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 |
| Hangzhou GETI Industrial | | |
| Revenue | Nil | Nil |
| Net loss before taxation | 26 | 3 |
| Net loss after taxation | 26 | 3 |
| Net liabilities | 97 | 100 |

GETI (China) Energy mainly derived its revenue from the service incomes generated from the provision of battery swapping services. Whenever the battery of an electric bicycle is running low, the rider, who is usually engaged in delivery service, can check the location of GETI (China) Energy's battery swapping station nearby through mobile application to swap for a fully charged battery. For package users, they enjoy unlimited swapping service during the subscription period. Other revenue of GETI (China) Energy were derived from provision of delivery service for online shops.

As shown in Table 2 above, GETI (China) Energy recorded revenue of approximately RMB5.8 million for the year ended 31 December 2022, representing a moderate increase of approximately 13.7% as compared to the revenue of approximately RMB5.1 million as recorded for the previous year. As advised by the Management, such increase in revenue was mainly attributable to the revenue derived from provision of delivery service which started in 2022, despite the decrease in revenue generated from the battery swapping business as compared to the previous year.

As shown in Table 2 above, GETI (China) Energy recorded consecutive loss-making performance for the two years ended 31 December 2021 and 2022, while the extent of loss has further widened for the year ended 31 December 2022. GETI (China) Energy recorded net loss before taxation of approximately RMB12.9 million for the year ended 31 December 2022, representing an increase of approximately 29% as compared to the net loss before taxation of approximately RMB10.0 million as recorded for the previous year. Based on our review of the management accounts of GETI (China) Energy prepared in accordance with the PRC Accounting Standards and as advised by the Management, such increase in net loss was

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

mainly attributed to the increase in operating cost for the year ended 31 December 2022 due to the increase in depreciation expenses, loss on disposal of property, plant and equipments and the loss incurred from the delivery service business.

As at 31 December 2022, the major assets of GETI (China) Energy mainly comprised of (i) bank and cash of approximately RMB21.5 million; (ii) property, plant and equipment of approximately RMB10.5 million; and (iii) intangible assets of approximately RMB7.4 million which include various platform and system research and development such as those relating to battery swapping services. As at 31 December 2022, the major liabilities of GETI (China) Energy mainly comprised of (i) trade payable of approximately RMB9.5 million; and (ii) other payables of approximately RMB6.2 million. As at 31 December 2022, the net assets of GETI (China) Energy amounted to approximately RMB28.3 million, which has decreased by approximately 31.3% as compared to the net assets of approximately RMB41.2 million as at 31 December 2021. Based on our review of the management accounts of GETI (China) Energy, we noted that the decrease in net assets was mainly resulted from the decrease in both cash and carrying value of operating assets due to the depreciation and reduced number of battery swapping stations and batteries due to the disposal of certain old batteries and swapping stations for the year ended 31 December 2022.

As Hangzhou GETI Industrial is a dormant company, it did not record any revenue and recorded minimal net loss before taxation for the year ended 31 December 2021 and 2022. As at 31 December 2022, the major assets of Hangzhou GETI Industrial mainly comprised of bank and cash of approximately RMB1.2 million. As at 31 December 2022, the major liabilities of Hangzhou GETI Industrial mainly comprised of the amount due to GETI (China) Energy of approximately RMB1.3 million. Hangzhou GETI Industrial recorded net liabilities of approximately RMB0.1 million as at 31 December 2022, as the amount of other payables exceeded the amount of cash.

3. Reasons for and benefits of the Disposals

As stated in the Letter from the Board, GETI (China) Energy and Hangzhou GETI Industrial were initially established in 2019 for the purposes of the provision of battery swapping services to the riders of electric bicycles. However, as advised by Management, despite four years have elapsed since the establishment of such companies and the diminished effects of COVID-19 on the market, given the high level of competition in the market, among others, the sales of GETI (China) Energy have been unsatisfactory, leading to consecutive loss-making performance since they were launched.

As shown in the above section headed “2. Background information and financial overview of GETI (China) Energy and Hangzhou GETI Industrial”, GETI (China) Energy recorded losses before taxation for the two years ended 31 December 2021 and 2022, while Hangzhou GETI Industrial did not record any revenue due to its dormant nature. Further, in order to deliver the power exchange services, the main operating assets of GETI (China) Energy are the battery swapping stations which makes the businesses of GETI (China) Energy capital intensive. In view of the continuous loss-making performance under the fierce market

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

competition, considerable amount of working capital is required to renew/upgrade the existing battery swapping stations and to replace the old batteries in order to sustain the market competitiveness. Based on our review of the unaudited management accounts of GETI (China) Energy as at 31 August 2023, the cash level of GETI (China) Energy and Hangzhou GETI Industrial each represent less than 30% and approximately 1.3% of their respective total assets as at 31 August 2023. With the limited working capital of GETI (China) Energy and Hangzhou GETI Industrial, it is practically difficult for GETI (China) Energy to significantly expand the sales and accordingly turnaround the business into profit-making.

With reference to 《2023年中國換電服務行業市場全景調查及投資前景預測報告》 (Industry Market Survey and Investment Forecast Report of China Battery Swapping Services*) published by Intelligence Research Group (北京智研科信諮詢有限公司), a leading industry information provider in the PRC established in 2008, it is noted that the battery swapping service market of the electric bicycles has been growing rapidly under the supportive national policy. Notwithstanding that the market size of battery swapping cabinet reached RMB260 million in 2022 with over 300 battery swapping services companies for electric bicycles in the PRC, the industry is facing common challenges including (i) the relatively long period for investment return for battery swapping stations given the initial substantial capital investment of fixed assets; and (ii) the ongoing capital requirement due to depreciation and replacement of batteries on a continuous basis which required a large amount of readily available funds. Upon our enquiry with the Management, the operating cost of GETI (China) Energy has been relatively high due to the low number of users for battery swapping service, which resulted in GETI (China) Energy to underperform when compared to other market competitors with cost advantage. On the other hand, it is difficult to increase the service price due to the keen competition of the industry. As such, it is understood that GETI (China) Energy is in need of continuous financial resources in the long run in order to potentially turnaround its loss-making performance.

As stated in the Letter from the Board, after deducting the expenses relating to the Disposals, the net proceeds would amount to approximately HKD21.4 million which is expected to be applied towards general working capital and business development (including future potential acquisitions) of the Group. As shown in Table 1 in the above section headed “1. Background information of the Group”, the historical segmental revenue from the battery swapping services of the Group only contributed relatively small portion of the Group’s total revenue, representing around 1.2%, 5.2% and 1.8% of the Group’s total revenue for the year ending 31 December 2021, 2022 and the six months ended 30 June 2023, respectively. Considering the limited income contribution to the Group in the past years and the funding requirement of battery swapping business as described above, the Disposals provide an exit to the Group to strengthen its financial position and to reallocate its resources for enhancing Shareholders’ value and also to simplify its corporate structure.

In view of the above and in particular (i) the unsatisfactory sales performance and the consecutive loss-making position of GETI (China) Energy in the past years primarily due to the high operating costs attributed to the relatively small user base; (ii) the significant and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

ongoing capital requirement which is necessary for GETI (China) Energy to further penetrate and expand into various regions to increase the number of users in view of the fierce market competition; (iii) the Disposals would enable the Group to recover its partial investments in GETI (China) Energy to better reallocate its resources to other potential business opportunities with better prospect and returns, as opposed to further allocation of capital resources to GETI (China) Energy with uncertain outlook; and (iv) the Disposals will allow the Group to simplify its corporate structure, we concur with the Directors' view that the entering into of the Disposals is in the interests of the Company and the Independent Shareholders as a whole.

4. Principal terms of the Equity Transfer Agreements and the transactions contemplated thereunder

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, which shall be fully settled in cash on Completion.

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.

Each of the Equity Transfer Agreements contains substantially similar terms and conditions except for the identity of the target company being disposed of and the amount of the consideration payable. Each of the Equity Transfer Agreements is independent of and not inter-conditional on one another. There is no long stop date specified in the Equity Transfer Agreements.

Evaluation of the consideration for the Disposals

As set out in the Letter from the Board, the consideration for the Disposals was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the unaudited net asset value of GETI (China) Energy and Hangzhou GETI Industrial as at 31 August 2023. Notwithstanding that upon the Completion, the financial effects of the Disposals shall be recognised by the Group in accordance with the HKFRS, the accounting standards adopted by the Group, taking into account that (i) the book values under the PRC accounting standards of GETI (China) Energy and Hangzhou GETI Industrial reflect their respective values at the entity level; (ii) GETI (China) Energy would record a net liability position after adjustment in accordance with HKFRS as opposed to the net asset position under the PRC accounting standards where referencing to the net asset position under the PRC accounting standards would be more favorable to the Group; and (iii) the Group is expected to record a gain from the Disposals in accordance with the HKFRS subject to audit (as discussed in the below section headed "5. Financial effects of the Disposals"), we consider that the reference to book values of GETI (China) Energy and Hangzhou GETI Industrial shown in their respective unaudited PRC management accounts as at 31 August 2023 to be justifiable. In this regard, we have

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

obtained and reviewed the unaudited management accounts of GETI (China) Energy and Hangzhou GETI Industrial as at 31 August 2023 and noted that the unaudited net assets of GETI (China) Energy as at 31 August 2023 amounted to approximately RMB19.3 million and the unaudited net liabilities of Hangzhou GETI Industrial as at 31 August 2023 was approximately RMB0.1 million. The consideration for the Disposals of RMB20.0 million therefore approximates to and represents a slight premium of approximately 4.2% over the aggregate net asset value of GETI (China) Energy and Hangzhou GETI Industrial of RMB19.2 million.

To assess the fairness and reasonableness of the consideration for the Disposals, given that GETI (China) Energy has been loss-making, we have attempted to conduct the trading multiples analysis namely the price-to-book multiples. Taking into account the uniqueness of business nature of GETI (China) Energy, we have attempted to identify companies listed on the Stock Exchange that are principally engaged in the same or similar business as GETI (China) Energy, being the battery swapping business for electric bicycles in the PRC, which accounted for at least 50% of total revenue as recorded in their respective latest published annual reports. However, based on our public search on Refinitiv platform, we are not able to identify any comparable company based on our selection criteria. Given that no comparable samples can be obtained, we consider that no meaning comparisons against the consideration for the Disposals can be conducted.

Taking into consideration (i) the insignificant or lack of revenue contributions of GETI (China) Energy and Hangzhou GETI Industrial to the Group's revenue since establishment of the battery swapping services business and their consecutive loss-making performance in the past years; (ii) the reasons for and benefits of entering into the Disposals as set out in the above section headed "3. Reasons for and benefits of the Disposals"; (iii) the consideration for the Disposals represents a slight premium over the aggregate net asset value of GETI (China) Energy and Hangzhou GETI Industrial; and (iv) despite that no long stop dates are specified in the Equity Transfer Agreements, it is understood that the parties intend to complete the Equity Transfer Agreements as soon as practicable after obtaining the Independent Shareholders' approval at the EGM and thereafter, the parties shall proceed with registration of transfer of equity interests with the relevant PRC authority which is expected to take place on or before 31 December 2023, we consider that the terms of the Equity Transfer Agreements and the transactions contemplated thereunder are fair and reasonable.

5. Financial effects of the Disposals

Upon the Completion, (i) GETI Energy will no longer hold any equity interest in GETI (China) Energy or Hangzhou GETI Industrial, which will both cease to be subsidiaries of the Company; and (ii) the financial results of GETI (China) Energy and Hangzhou GETI Industrial will no longer be consolidated into the financial statements of the Group. It is estimated that the Group will recognise a gain of approximately HKD30.1 million from the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Disposals, which is expected to improve the earnings of the Group following Completion. The actual financial effect of the Disposals to be recognised in the consolidated financial statements of the Company is subject to the then financial position of GETI (China) Energy and Hangzhou GETI Industrial and subject to review by the auditors.

RECOMMENDATIONS

Having considered the above principal factors and reasons, we are of the view that while the entering into of the Equity Transfer Agreements and the transactions contemplated thereunder are not in the ordinary and usual course of business of the Group, the terms of the Equity Transfer Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we advise the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolution(s) to be proposed at the EGM for approving the Equity Transfer Agreements and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Lego Corporate Finance Limited
Billy Tang
Managing Director

Mr. Billy Tang is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 20 years of experience in the accounting and investment banking industries.

1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and chief executives in the shares, the underlying shares and debentures of the Company or any associated corporation

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules, relating to the required standards of dealing by directors of listed issuers, to be notified to the Company and the Stock Exchange were as follows:

Long positions in the Shares and underlying shares of the Company

| Number of directors | Number of shares in the Company | | | Total | Approximate percentage of shareholding (%) |
|---------------------|---------------------------------|--------------------|------------------------------------|------------|--|
| | Beneficial owner | Interest of spouse | Interest of controlled corporation | | |
| HE Xuechu | 57,939,189 | 22,460,000 | - | 80,399,189 | 0.82 |
| LIU Wei, William | 9,002,000 | - | - | 9,002,000 | 0.09 |
| YAN Weimin | 30,000,000 | - | - | 30,000,000 | 0.30 |
| CHAN Chun Wai, Tony | 1,000,000 | - | - | 1,000,000 | 0.01 |

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company or their associates had, any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO

(including interests or short positions which they are taken or deemed to have under the provisions of the SFO), or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders' and other persons' interests and short positions in the shares and underlying shares of the Company

As at the Latest Practicable Date, the following persons, other than the Directors or chief executives of the Company, had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO:

Long positions of Substantial Shareholders in the ordinary shares of HK\$0.001 each of the Company

| Name of shareholder | Number of shares in the Company | | | Total | Approximate percentage of shareholding (%) |
|--|---------------------------------|--------------------|------------------------------------|---------------|--|
| | Beneficial owner | Interest of spouse | Interest of controlled corporation | | |
| Mr. Li (<i>Note 1</i>) | 103,064,000 | 50,000,000 | 5,918,504,675 | 6,071,568,675 | 61.61 |
| Geely Group Limited (<i>Note 2</i>) | 2,829,000 | — | 4,065,000,000 | 4,067,829,000 | 41.28 |
| Hong Bridge Capital Limited | 4,065,000,000 | — | — | 4,065,000,000 | 41.25 |
| Geely International | 1,850,675,675 | — | — | 1,850,675,675 | 18.78 |
| Zhejiang Geely (<i>Note 3</i>) | — | — | 1,850,675,675 | 1,850,675,675 | 18.78 |

Notes:

- Mr. Li holds 91.08% equity interest of Zhejiang Geely and 100% equity interest of Geely Group Limited.
- Geely Group Limited is the controlling shareholder holding 68.86% equity interest of Hong Bridge Capital Limited.
- Zhejiang Geely holds 100% equity interest of Geely International.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any other persons (other than the Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the

Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Save as disclosed above, none of the Directors or chief executives of the Company had, as at the Latest Practicable Date, any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules.

3. INTEREST IN ASSETS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which has been, since 31 December 2022, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or was proposed to be acquired or disposed of by or leased to any member of the Group.

4. INTERESTS IN CONTRACTS

As at the Latest Practicable Date, no contracts or arrangements were subsisting in which a Director was materially interested and which were significant in relation to the business of the Group.

5. INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, in so far as the Directors were aware of, none of the Directors, controlling Shareholders and their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has any existing or proposed service contract with any member of the Group which is not expiring or terminable by the Group within one year without payment of compensation (other than statutory compensation).

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

8. MATERIAL ADVERSE CHANGE

The Directors confirm that there has been no material adverse change in the overall financial or trading position or outlook of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions in this circular:

| Name | Qualification |
|-----------------------------------|---|
| Lego Corporate Finance Limited | A corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO |

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which it appears.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group, nor did it have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, the expert named above did not have any direct or indirect interest in any assets which had since 31 December 2022, being the date to which the latest published audited accounts of the Group were made up, been acquired or disposed of by, or leased to any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.8137.hk>) for a period of 14 days from the date of this circular.

- a. the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Board Committee” of this circular;

- b. the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Financial Adviser” of this circular;
- c. the written consent referred to under the paragraph headed “9. Expert and Consent” in this appendix;
- d. the Equity Transfer Agreements; and
- e. this circular.

11. GENERAL

- (a) The registered office of the Company is situated at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is situated at Unit 5402, 54th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.
- (c) The secretary of the Company is Mr. Yeung Ho Ming, who is a Certified Public Accountant in Hong Kong and is a fellow member of the Hong Kong Institute of Certified Public Accountants.
- (d) The compliance officer of the Company is Mr. Liu Wei, William, an executive Director and joint chief executive officer of the Company.
- (e) The branch share registrar and transfer office of the Company in Hong Kong is Union Registrars Limited, Suites 3301-04, 33rd Floor, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong.
- (f) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

NOTICE OF EXTRAORDINARY GENERAL MEETING



HONBRIDGE HOLDINGS LIMITED

洪橋集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8137)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Honbridge Holdings Limited (the “**Company**”) will be held at Unit 5402, 54th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Monday, 13 November 2023, at 10:00 a.m. for the purpose of considering and, if thought fit, pass the following resolutions with or without amendments as ordinary resolutions of the Company. Capitalised terms defined in the circular dated 27 October 2023 issued by the Company (the “**Circular**”) shall have the same meanings when used herein unless otherwise specified:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the GETI (China) Equity Transfer Agreement (a copy of which is tabled at the meeting and marked A and initialled by the chairman of the meeting for identification purpose) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary be and is/are hereby authorised to execute all such other documents, instruments and agreements and to do all such acts or thing deemed by him/her to be incidental to, ancillary to or in connection with the GETI (China) Equity Transfer Agreement and the matters and transactions contemplated thereunder.”

2. “**THAT:**

- (a) the Hangzhou GETI Equity Transfer Agreement (a copy of which is tabled at the meeting and marked B and initialled by the chairman of the meeting for identification purpose) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary be and is/are hereby authorised to execute all such other documents, instruments and agreements and to do all such acts or thing deemed by him/her to be incidental to, ancillary to or in connection with the Hangzhou GETI Equity Transfer Agreement and the matters and transactions contemplated thereunder.”

Yours faithfully,
On behalf of the Board
Honbridge Holdings Limited
Liu Wei, William
Director and Joint Chief Executive Officer

Hong Kong, 27 October 2023

Notes:

1. In order to be eligible to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301–04, 33rd Floor, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong for registration no later than 4:00 p.m. on Tuesday, 7 November 2023.
2. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. Shareholders may consider appointing the chairman of the EGM as his/her proxy to vote on the resolutions, instead of attending the EGM in person. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy needs not be a shareholder of the Company.
3. In order to be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited with the Company’s branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301–04, 33rd Floor, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude any member from attending and voting in person at the meeting or any adjourned meeting thereof should he so wish.
4. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholdings.
5. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in effect any time after 7:00 a.m. on the date of the EGM, the meeting will be postponed. The Company will post an announcement on the website of Company at www.8137.hk and on the website of the Stock Exchange at www.hkexnews.hk to notify shareholders of the date, time and place of the rescheduled meeting.

As at the date of this notice, 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.