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HONBRIDGE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8137)

(1) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO 2023 SALES AGREEMENT; AND (2) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO PURCHASE FRAMEWORK AGREEMENT

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



THE 2023 SALES AGREEMENT

References are made to the announcements of the Company dated 23 October 2017, 25 October 2017 and 28 September 2020 in relation to certain continuing connected transactions, namely the 2017 First Sales Agreement, 2017 Second Sales Agreement and the 2020 Sales Agreement between the Group and certain members of the Zhejiang Geely Group and the announcement and the circular of the Company dated 10 August 2021 and 27 August 2021, respectively, in relation to revision of annual caps for the 2020 Sales Agreement. The 2020 Sales Agreement will be expired on 22 October 2023.

On 11 September 2023 (after trading hours), the Company entered into the 2023 Sales Agreement with Zhejiang Geely, pursuant to which the Group will supply lithium-ion battery pack and related products to Zhejiang Geely Group in accordance with the terms and conditions thereunder.

THE PURCHASE FRAMEWORK AGREEMENT

On 11 September 2023 (after trading hours), the Company entered into the Purchase Framework Agreement with Zhejiang Yaoning, pursuant to which the Group will purchase lithium-ion battery cells, modules and related products from Zhejiang Yaoning Group in accordance with the terms and conditions thereunder.

IMPLICATION OF THE GEM LISTING RULES

As Zhejiang Geely indirectly holds approximately 18.78% of the total issued shares of the Company through Geely International, a substantial shareholder of the Company, Zhejiang Geely is a substantial shareholder and a connected person of the Company.

Mr. Li Xingxing is indirectly interested in 85% of the equity interests in Zhejiang Yaoning and is also the son of Mr. Li, the controlling shareholder of the Company. Thus, Zhejiang Yaoning is an associate of Mr. Li and is a connected person of the Company.

Accordingly, the transactions contemplated under the 2023 Sales Agreement and the Purchase Framework Agreement constitute continuing connected transactions of the Company. As one or more of the applicable percentage ratios set out in Rule 19.07 of the GEM Listing Rules in respect of the 2023 Sales Agreement and the Purchase Framework Agreement are more than 5%, the 2023 Sales Agreement and the Purchase Framework Agreement are subject to the reporting, announcement, annual review 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 2023 Sales Agreement and Purchase Framework Agreement and the transactions contemplated thereunder, including the Annual Caps.

A circular containing, among other things, (i) further information of the 2023 Sales Agreement and Purchase Framework Agreement and the transactions contemplated thereunder (including the Annual Caps); (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) a notice convening the EGM, will be despatched to the Shareholders on or before 3 October 2023.

THE 2023 SALES AGREEMENT

References are made to the announcements of the Company dated 23 October 2017, 25 October 2017 and 28 September 2020 in relation to certain continuing connected transactions, namely the 2017 First Sales Agreement, the 2017 Second Sales Agreement and the 2020 Sales Agreement between the Group and certain members of the Zhejiang Geely Group and the announcement and the circular of the Company dated 10 August 2021 and 27 August 2021, respectively, in relation to revision of annual caps for the 2020 Sales Agreement. The 2020 Sales Agreement will be expired on 22 October 2023.

On 11 September 2023 (after trading hours), the Company entered into the 2023 Sales Agreement with Zhejiang Geely, pursuant to which the Group will supply lithium-ion battery pack and related products to Zhejiang Geely Group in accordance with the terms and conditions thereunder. Principal terms of the 2023 Sales Agreement are set out below:

- Parties: (1) the Company; and
- (2) Zhejiang Geely
- Date: 11 September 2023 (after trading hours)
- Term: From 23 October 2023 to 22 October 2026
- Subject matters: Pursuant to the 2023 Sales Agreement, the Group shall supply lithium-ion battery pack and related products to Zhejiang Geely Group. The exact model and volume of goods purchased by Zhejiang Geely Group from the Group and the dates of delivery will be provided in separate purchase orders.
- Pricing basis: The price of goods under the 2023 Sales Agreement will be negotiated on an arm's length basis with reference to the prevailing market price and determined in the ordinary course of business on normal commercial terms or on terms no less favourable to the Company than those offered to independent third parties and will be specified in separate purchase orders.
- Payment terms: Payments for the products under the 2023 Sales Agreement shall be settled within 75 days from the date of receipt of the invoice.
- Condition: The 2023 Sales Agreement shall only become effective upon the Company having completed all necessary internal procedures (including obtaining approval of the Shareholders and/or the Board in accordance with the GEM Listing Rules), and having obtained all necessary approvals and consents from the Stock Exchange and other third parties (including relevant regulatory authorities, government or official authorities).

HISTORICAL AMOUNTS FOR THE 2020 SALES AGREEMENT

The existing annual caps (excluding value-added tax) for the two years ended 31 December 2022 and for the period ending 22 October 2023 and the historical actual amounts for the two years ended 31 December 2022 and for the period ended 30 June 2023 in respect of the 2020 Sales Agreement are set out below:

	Existing actual caps			Historical actual revenue		
	For the year ended 31 December 2021 <i>RMB'000</i>	For the year ended 31 December 2022 <i>RMB'000</i>	For the period from 1 January 2023 to 22 October 2023 <i>RMB'000</i>	For the year ended 31 December 2021 <i>RMB'000</i>	For the year ended 31 December 2022 <i>RMB'000</i>	For the period from 1 January 2023 to 30 June 2023 <i>RMB'000</i>
2020 Sales Agreement	460,000	300,000	350,000	383,852	75,974	88,267

The Company confirmed that the consideration receivable by the Company under the 2020 Sales Agreement for the period commencing from 1 January 2023 until the date of this announcement are within the relevant maximum caps.

Proposed Sales Annual Caps for the 2023 Sales Agreement

It is expected that for the period ending 31 December 2023, for the year ending 31 December 2024 and 2025 and for the period ending 22 October 2026, the Group supplying lithium-ion battery pack and related products to Zhejiang Geely Group will not exceed the following respective amounts and such amounts have been set as the proposed caps for the relevant continuing connected transactions contemplated under the 2023 Sales Agreement accordingly:

	For the period from 23 October 2023 to 31 December 2023 <i>RMB'000</i>	For the year ending 31 December 2024 <i>RMB'000</i>	For the year ending 31 December 2025 <i>RMB'000</i>	For the period from 1 January 2026 to 22 October 2026 <i>RMB'000</i>
Proposed Sales Annual Caps	50,000	235,000	155,000	97,000

The proposed Sales Annual Caps were determined based on:

- (i) the estimated sales volume of lithium-ion powered battery packs for the period ending 31 December 2023, for the year ending 31 December 2024 and 2025 and for the period from 1 January 2026 to 22 October 2026 respectively;
- (ii) the expected demand for the products to be provided by the Group pursuant to the 2023 Sales Agreement with reference to expected sales orders from Zhejiang Geely Group; and
- (iii) the current and forecast market price of lithium-ion powered battery packs in the market.

Should the actual annual sales amount exceed the above proposed Sales Annual Caps, the Company will revise the Sales Annual Caps in compliance with the relevant requirements under Chapter 20 of the GEM Listing Rules. The Sales Annual Caps after the period ending 22 October 2026 will be proposed at the suitable time in compliance with the relevant requirements under Chapter 20 of the GEM Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO 2023 SALES AGREEMENT

The Group has been engaged by Zhejiang Geely Group to supply lithium-ion battery pack and related products since 2017. It is expected that the Group will continue to do so in its ordinary and usual course of business upon expiry of the 2023 Sales Agreement. The Directors are of the view that securing such renowned customers can effectively improve the Group's financial performance and deliver a stable income to the Group given there will be different vehicle brands under Zhejiang Geely Group using the powered batteries. Furthermore, the Directors consider that entering into the 2023 Sales Agreement which sets out the proposed Sales Annual Caps is constructive for the Group to sell the products and services thereunder, thereby benefiting the Group.

In view of the above-mentioned reasons and taking into account: (i) the estimated sales volume of lithium-ion powered battery packs for the period from 23 October 2023 to 31 December 2023, the years ending 31 December 2024, 31 December 2025, the period from 1 January 2026 to 22 October 2026 respectively; (ii) the expected demand for the products to be provided by the Group pursuant to the 2023 Sales Agreement; and (iii) the current and forecast market price of lithium-ion powered battery packs in the market, the 2023 Sales Agreement was determined, and 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 2023 Sales Agreement was entered into in the ordinary course of the Group's business and on normal commercial terms or on terms no less favourable to the Company than those offered to independent third parties, and the terms and Sales Annual Caps set out in the 2023 Sales Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE PURCHASE FRAMEWORK AGREEMENT

On 11 September 2023 (after trading hours), the Company entered into the Purchase Framework Agreement with Zhejiang Yaoning, pursuant to which the Group will purchase lithium-ion battery cells, modules and related products from Zhejiang Yaoning Group in accordance with the terms and conditions thereunder.

- Parties: (1) the Company; and
- (2) Zhejiang Yaoning
- Date: 11 September 2023 (after trading hours)
- Term: From 11 September 2023 to 10 September 2026
- Subject matters: Pursuant to the Purchase Framework Agreement, the Group shall purchase lithium-ion battery cells, modules and related products from Zhejiang Yaoning Group. The exact model and volume of goods sold by Zhejiang Yaoning Group to the Group and the dates of delivery will be provided in separate purchase orders.
- Pricing basis: The price of goods under the Purchase Framework Agreement will be negotiated on an arm's length basis with reference to the prevailing market price and determined in the ordinary course of business on normal commercial terms or on terms no less favourable than those offered by independent third parties and will be specified in separate purchase orders.
- Payment terms: Payments for the products under the Purchase Framework Agreement shall be settled within 60 days from the date of receipt of the invoice.
- Condition: The Purchase Framework Agreement shall only become effective upon the Company having completed all necessary internal procedures (including obtaining approval of the Shareholders and/or the Board in accordance with the GEM Listing Rules), and having obtained all necessary approvals and consents from the Stock Exchange and other third parties (including relevant regulatory authorities, government or official authorities).

Proposed Purchase Annual Caps for the Purchase Framework Agreement

It is expected that for the period ending 31 December 2023, for the year ending 31 December 2024 and 2025 and for the period ending 10 September 2026, the Group purchasing lithium-ion battery cells, modules and related products from Zhejiang Yaoning Group will not exceed the following respective amounts and such amounts have been set as the proposed caps for the relevant continuing connected transactions contemplated under the Purchase Framework Agreement accordingly:

	For the period from 11 September 2023 to 31 December 2023 <i>RMB'000</i>	For the year ending 31 December 2024 <i>RMB'000</i>	For the year ending 31 December 2025 <i>RMB'000</i>	For the period from 1 January 2026 to 10 September 2026 <i>RMB'000</i>
Proposed Purchase Annual Caps	42,000	103,000	129,000	72,000

The proposed Purchase Annual Caps were determined based on:

- (i) the estimated purchase volume of lithium-ion powered battery cells, modules and related products for the period ending 31 December 2023, for the year ending 31 December 2024 and 2025 and for the period from 1 January 2026 to 10 September 2026 respectively with reference to the expected demand of the Group;
- (ii) the estimated production capacity of Zhejiang Yaoning Group for the products; and
- (iii) the current and forecast market price of lithium-ion powered battery cells, modules and related products in the market.

Should the actual annual purchase amount exceed the above proposed Purchase Annual Caps, the Company will revise the Purchase Annual Caps in compliance with the relevant requirements under Chapter 20 of the GEM Listing Rules. The Purchase Annual Caps after the period ending 10 September 2026 will be proposed at the suitable time in compliance with the relevant requirements under Chapter 20 of the GEM Listing Rules.

Historical Figures

Zhejiang Yaoning Group had supplied lithium-ion battery cells, modules and related products to the Company since 1 January 2023. The historical amounts of products provided to the Company were approximately RMB471,600 for the period from 1 January 2023 to 30 June 2023.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PURCHASE FRAMEWORK AGREEMENT

The transactions contemplated under the Purchase Framework Agreement between the Group and Zhejiang Yaoning Group will be conducted in the ordinary and usual course of business of the Group. The products purchased from Zhejiang Yaoning Group are a component part of the lithium-ion battery pack, and through the Purchase Framework Agreement, the Group will be able to leverage on this advantage and utilise these supply chain resources to secure a sizable and stable supply of lithium-ion battery cells, modules and related products. The Purchase Framework Agreements will also allow the Group to capture the synergy between Zhejiang Yaoning Group and the Group, and contribute to the operational and business development of the Group.

In view of the above-mentioned reasons and taking into account: (i) the estimated purchase volume of lithium-ion powered battery cells, modules and related products for the period from 11 September 2023 to 31 December 2023, the years ending 31 December 2024, 31 December 2025, the period from 1 January 2026 to 10 September 2026 respectively; (ii) the expected purchase of the products by the Group pursuant to the Purchase Framework Agreement; and (iii) the current and forecast market price of lithium-ion powered battery cells, modules and related products in the market, the Purchase Framework Agreement was determined, and 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 Purchase Framework Agreement was entered into in the ordinary course of the Group's business and on normal commercial terms or on terms no less favourable to the Company than those offered by independent third parties, and the terms and Purchase Annual Caps set out in the Purchase Framework Agreement 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.

Zhejiang Geely

Zhejiang Geely Group is principally engaged in the sale of automobiles and related parts and components wholesale and retail business. Mr. Li is the controlling shareholder, founder, chairman of the board of directors of Zhejiang Geely. He has over 35 years of experience in the investment and management of the automobile manufacturing business in the PRC. Mr. Li is a member of the Chinese People's Political Consultative Conference and was accredited as one of the "50 Most Influential Persons in China's Automotive Industry in the 50 Years" by China Automotive News (中國汽車報). Mr. Li is also a controlling shareholder of the Company.

Zhejiang Yaoning

Zhejiang Yaoning is a limited company incorporated in the PRC and is principally engaged in research and development of lithium ion battery, intelligence cabin, light-weighting of vehicle, etc. Mr. Li Xingxing, the son of Mr. Li, is indirectly interested in 85% of the equity interests in Zhejiang Yaoning.

PRICING PRINCIPLES OF THE 2023 SALES AGREEMENT AND THE PURCHASE FRAMEWORK AGREEMENT

The price of products under the 2023 Sales Agreement and the Purchase Framework Agreement will be negotiated on an arm's length basis and determined in the ordinary course of business on normal commercial terms or on terms no less favourable to the Company than those offered to/than those offered by independent third parties and will be specified in separate purchase orders. The price of products above would be set after making reference to the prevailing market price of same or substantially similar products from other independent third party lithium-ion powered battery manufacturers on normal commercial terms and in the ordinary course of business. Subject to any future change in the internal control system, the Group would conduct market research on a quarterly basis and gather relevant information to assess the prevailing market price of similar products. Products price will be reviewed quarterly to ensure that the price set is consistent with the prevailing market price of similar products and is no less favourable to the price of similar products offered to/from the independent third parties.

After obtaining the quotations from the above third party lithium-ion powered battery manufacturers, the sales and procurement team of the Group performs analysis against factors including but not limited to the general market supply and demand of the products, raw material costs, available production capacity and delivery time, etc to determine the price ranges and ensure that the price ranges are not lower than the quotations offered by third party lithium-ion powered battery manufacturers.

The Directors consider that the above methods and systems ensure that the transactions contemplated under the 2023 Sales Agreement and the Purchase Framework Agreement will be conducted on normal commercial terms without prejudice to the interests of the Company and its Shareholders.

INTERNAL CONTROL MEASURES

In order to comply with the pricing basis of the 2023 Sales Agreement and the Purchase Framework Agreement and safeguard the interests of the Shareholders as a whole, the Company will take the following internal control measures.

The Group has formulated internal audit procedures to track, monitor and evaluate the transaction amounts under the 2023 Sales Agreement and Purchase Framework Agreement on a monthly basis, so as to ensure the Annual Caps are not exceeded.

For the sales and purchases of lithium-ion powered battery products by the Group, terms in any sales or purchase agreement of similar nature entered into with independent third parties will be compared to 2023 Sales Agreement and the Purchase Framework Agreement respectively. The Group has also put in place relevant procedures and relevant steps to regularly monitor the relevant manufacturing cost items and costs of other necessary and reasonable expenses so as to ensure the proper determination of the selling/purchase price of lithium-ion powered battery products to be sold to Zhejiang Geely Group or purchased from Zhejiang Yaoning Group. The Group will negotiate the terms of such transactions on a regular basis to ensure that prices are fair and reasonable, and properly reflect the level of costs incurred by the Group in such transactions.

The independent non-executive Directors will also conduct a review on all continuing connected transactions each year and confirm that the transactions have been conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, and in accordance with the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Company will also engage its independent auditors to report on transactions under the 2023 Sales Agreement and the Purchase Framework Agreement at the end of the financial year. The independent auditors will review and confirm in the annual report whether transactions under the 2023 Sales Agreement and the Purchase Framework Agreement have been approved by the Board, are in compliance with the pricing policies of the relevant agreement governing the transactions, and have not exceeded the relevant Annual Caps.

The Board will consider the results from the above reviews and take action to further strengthen the internal control measures on all continuing connected transactions of the Group, where necessary.

IMPLICATION OF THE GEM LISTING RULES

As Zhejiang Geely indirectly holds approximately 18.78% of the total issued shares of the Company through Geely International, a substantial shareholder of the Company, Zhejiang Geely is a substantial shareholder and a connected person of the Company.

Mr. Li Xingxing is indirectly interested in 85% of the equity interests in Zhejiang Yaoning and is also the son of Mr. Li, the controlling shareholder of the Company. Thus, Zhejiang Yaoning is an associate of Mr. Li and a connected person of the Company.

Accordingly, the transactions contemplated under the 2023 Sales Agreement and the Purchase Framework Agreement constitute continuing connected transactions of the Company. As one or more of the applicable percentage ratios set out in Rule 19.07 of the GEM Listing Rules in respect of the 2023 Sales Agreement and the Purchase Framework Agreement are more than 5%, the 2023 Sales Agreement and the Purchase Framework Agreement are subject to the reporting, announcement, annual review 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 2023 Sales Agreement and Purchase Framework Agreement and the transactions contemplated thereunder, including the Annual Caps.

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 2023 Sales Agreement and Purchase Framework Agreement, Mr. Li and his associates are required to and will abstain from voting on the resolutions approving the 2023 Sales Agreement and the Purchase Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) at the EGM.

A circular containing, among other things, (i) further information of the 2023 Sales Agreement and Purchase Framework Agreement and the transactions contemplated thereunder (including the Annual Caps); (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) a notice convening the EGM, will be despatched to the Shareholders on or before 3 October 2023.

DEFINITIONS

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

“2017 First Sales Agreement”	the sales agreement dated 23 October 2017 entered into between Zhejiang Forever New Energy and Volvo Car Corporation in relation to the sales of ternary lithium-ion battery packs
“2017 Second Sales Agreement”	the sales agreement dated 25 October 2017 entered into between Zhejiang Forever New Energy and 浙江吉利汽車零部件採購有限公司 (transliterated as Zhejiang Geely Automobile Parts & Components Stock Co., Ltd.*) in relation to the sales of ternary lithium-ion battery packs
“2020 Sales Agreement”	the sales agreement dated 28 September 2020 entered into between the Company and Zhejiang Geely (as varied, supplemented and modified by a supplemental agreement dated 10 August 2021) in relation to the sales of ternary lithium-ion battery packs and related products

“2023 Sales Agreement”	the sales agreement dated 11 September 2023 entered into between the Company and Zhejiang Geely in relation to the sales of lithium-ion battery packs and related products
“Annual Caps”	collectively, the Sale Annual Caps and the Purchase Annual Caps
“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)
“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
“EGM”	an extraordinary general meeting of the Company to be held for the Independent Shareholders to consider and, if thought fit, approve the 2023 Sales Agreements, the Purchase Framework Agreement, the Annual Caps and the transactions contemplated thereunder
“Geely Automobile”	Geely Automobile Holdings Limited (吉利汽車控股有限公司), a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock codes: 175 (HKD counter) and 80175 (RMB counter))
“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
“Group”	the Company and its subsidiaries
“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 2023 Sales Agreement and the Purchase Framework Agreement and the transactions contemplated thereunder (including the Annual Caps)
“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 as to the 2023 Sales Agreement and the Purchase Framework Agreement and the transactions contemplated thereunder (including the Annual Caps)
“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 2023 Sales Agreements, the Purchase Framework Agreement, the Annual Caps and the transactions contemplated thereunder
“Mr. Li”	Mr. Li Shufu, a controlling shareholder of the Company who together with his spouse and 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
“Purchase Annual Caps”	the maximum annual transaction amount of fees payable by the Group under the Purchase Framework Agreement for each of the year/period
“Purchase Framework Agreement”	the purchase framework agreement dated 11 September 2023 entered between the Company and Zhejiang Yaoning in relation to the purchase of lithium-ion battery cells, modules and related products

“RMB”	Renminbi, the lawful currency of the PRC
“Sales Annual Caps”	the maximum annual transaction amount of fees receivable by the Group under the 2023 Sales Agreement for each of the year/period
“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 Forever New Energy”	浙江衡遠新能源科技有限公司, transliterated as Zhejiang Forever New Energy Co., Ltd.*, a limited liability company incorporated in the PRC and a non-wholly owned subsidiary held indirectly as to 52% by the Company
“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 Group”	Zhejiang Geely and its subsidiaries, excluding Geely Automobile and its subsidiaries
“Zhejiang Yaoning”	浙江耀寧科技集團有限公司, translated as Zhejiang Yaoning Technology Co. Ltd.*, a limited liability company incorporated in the PRC
“Zhejiang Yaoning Group”	Zhejiang Yaoning and its subsidiaries, excluding Jiangsu Chengxing Phosphorus Chemical Co Ltd. (江蘇澄星磷化工股份有限公司), whose shares are listed on the Shanghai Stock Exchange (stock code: 600078) and its subsidiaries
“%”	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.*

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, 11 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.