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Ev Dynamics (Holdings) Limited
科軒動力（控股）有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 476)

(I) LAPSE OF MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF EQUITY INTEREST IN QUANTRON AG; AND (II) DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF EQUITY INTEREST IN QUANTRON AG

LAPSE OF THE TERM SHEET

As no definitive sale and purchase agreement was entered into between the Company and the Previous Purchaser and no deposit was received by the Company pursuant to the Term Sheet, the Term Sheet has lapsed.

THE DISPOSAL OF EQUITY INTEREST

The Board is pleased to announce that on 23 November 2022 (after trading hours), the Company entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Company has agreed to sell and the Purchaser has agreed to acquire the Sale Shares (representing approximately 4.9% of the entire equity interest of Quantron AG) at the total consideration of EUR5,635,000 (equivalent to approximately HK$45,080,000).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Disposal as calculated under Rule 14.07 of the Listing Rules exceeds 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

(I) LAPSE OF THE TERM SHEET

Reference is made to the Disposal Announcement in relation to the Term Sheet entered into between the Company and Previous Purchaser, pursuant to which the Company has agreed to sell and Previous Purchaser has agreed to acquire 13.85% of the entire equity interest of Quantron AG at the consideration of EUR12,500,000.

Pursuant to the Term Sheet, (i) the Company and the Previous Purchaser shall enter into a definitive sale and purchase agreement; and (ii) a deposit in the sum of EUR2,000,000 shall be paid by the Previous Purchaser to the Company in cash within 6 weeks from the date of the Term Sheet.

As the deposit was not received by the Company, no definitive sale and purchase agreement was entered into between the Company and the Previous Purchaser. As such, the Term Sheet has lapsed.

The Directors consider that the lapse of the Term Sheet will not have any material adverse impact on the existing business, operation and financial position of the Group.

(II) THE DISPOSAL OF EQUITY INTEREST IN QUANTRON AG

INTRODUCTION

On 23 November 2022 (after trading hours), the Company entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Company has agreed to dispose part of its interest in Quantron AG at the total consideration of EUR5,635,000 (equivalent to approximately HK$45,080,000).

As at the date of this announcement, the Company holds 9,157 shares of Quantron AG (representing approximately 13.85% of the entire equity interest of Quantron AG), including the Sale Shares, being 3,238 shares of Quantron AG (representing approximately 4.9% of the entire equity interest of Quantron AG), as a result of the Subscriptions conducted in April and July 2021. For details of the Subscriptions, please refer to the announcement of the Company dated 30 April 2021 and 29 July 2021.

The Company's investment in Quantron AG is classified as financial asset at fair value through profit or loss in the Group's consolidated financial statements. Upon Completion, the Company will continue to hold 5,919 shares of Quantron AG, representing approximately 8.95% of the entire equity interest in Quantron AG, which will continue to be classified as financial asset at fair value through profit or loss in the Group's consolidated financial statements.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarized as follows.

Date

23 November 2022 (after trading hours)

Parties

(1) the Purchaser; and

(2) the Company.

To the best of knowledge, information and belief of the Board and after making all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

Subject Matter

Pursuant to the Sale and Purchase Agreement, the Company has agreed to sell and the Purchaser has agreed to acquire, the Sale Shares, representing approximately 4.9% of the equity interest in Quantron AG as at the date of this announcement, at the Consideration of EUR5,635,000 (equivalent to approximately HK$45,080,000).

The Sale Shares is classified as financial asset at fair value through profit or loss in the Group's consolidated financial statements. Upon Completion, the Company will continue to hold 5,919 shares of Quantron AG, representing approximately 8.95% of the entire equity interest in Quantron AG, which will continue to be classified as financial asset at fair value through profit or loss in the Group's consolidated financial statements.

Consideration

The Consideration payable by the Purchaser under the Sale and Purchase Agreement is EUR5,635,000 (equivalent to approximately HK$45,080,000), of which the payment schedule is set out as below:

(i) a deposit of EUR500,000 has been paid by the Purchaser to the Company on 9 November 2022; and

(ii) the remaining balance of the Consideration in the sum of EUR5,135,000 shall be payable in cash by the Purchaser to the Company within 20 working days from the date of the Sale and Purchase Agreement.

The Consideration was arrived at after arm's length negotiations among the parties to the Sale and Purchase Agreement and was determined with reference to, including but not limited to: (i) the business and development prospects of Quantron AG; and (ii) the reasons for the Disposal as mentioned in the section headed "Reasons for and benefits of the Disposal" below.

Completion

Completion shall take place on the Completion Date after the settlement of the Consideration by the Purchaser.

INFORMATION OF THE GROUP AND THE COMPANY

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company consist of investment holding, development of new energy business and mining.

INFORMATION ON THE PUCHASER

The Purchaser is a limited company incorporated in the United Arab Emirates. It is principally engaged in the provision of the cargo consolidation services for cargo transportation, and a range of other transport-related services such as warehousing, air freight, and trucking. To the best knowledge of the Directors, the Purchaser and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

INFORMATION ON QUANTRON AG

Quantron AG is a limited company incorporated in Germany in 2019 and is principally engaged in e-mobility in inner-city and regional passenger and freight transport. As at the date of this announcement, Quantron AG is beneficially owned as to 13.85% by the Company and 57.3% by Mr. Andreas Haller, a German citizen and the Founder of Quantron AG. The remaining shares of Quantron AG were held by a number of shareholders independent to the Company.

Quantron AG specialises in the electrification of used and existing vehicles. Quantron AG offers a wide spectrum of new e-commercial vehicles based on the requirements and needs of its customers, which ranges from electric vans and e-buses to electric heavy-duty tractor units. Quantron AG also provides logistics services, battery solutions, and comprehensive consulting services.

As disclosed in the announcement of the Company dated 13 August 2021, as settlement of part of the consideration for the Subscriptions, the Company issued 254,712,175 Shares to Quantron AG, representing approximately 2.83% of the issued Shares of the Company.

Quantron AG recorded revenue of approximately EUR2.1 million and EUR9.6 million for the year ended 31 December 2020 and 2021, respectively. The net loss after taxation of Quantron AG was approximately EUR3.1 million and EUR5.1 million for the year ended 31 December 2020 and 2021, respectively. The audited net liabilities of Quantron AG were approximately EUR3.5 million as at 31 December 2021.

REASONS FOR AND BENEFITS OF THE DISPOSAL

In recent years, the Group has expanded its business into overseas markets instead of relying solely on the PRC market. The Company conducted the Subscriptions expecting to create a synergy effect with Quantron AG in view of establishing a foothold in Europe for achieving faster growth in European regions. After the completion of the Subscriptions, the Company received some purchase orders via Quantron AG for the manufacturing of its electric buses and relevant components. It is expected that the Group may continue to receive purchase orders from Quantron AG after the Disposal.

The Group subscribed for 9,157 shares of Quantron AG through the Subscriptions at a total consideration of approximately EUR7,027,930, which was settled by the Group through a combination of cash and allotment and issuance of consideration shares. Accordingly, the acquisition cost of the Sale Shares of 3,238 shares by the Company shall represent approximately EUR2,485,141. As such, the Consideration for the Disposal of EUR5,635,000 (equivalent to approximately HK$45,080,000) to be fully settled in cash by the Purchaser, is higher than the respective acquisition cost which will allow the Group to record profit and net cash inflow from the Disposal.

In addition, the Board is of the view that, the resources of the Group should be best deployed and aligned with the overall and long-term goals of the Group for the exploration and development of electric vehicles and components-related business(es) or venture(s) with better prospects or higher growth potential that will best serve the interests of the Company and its shareholders in the long run. The Group considered the Disposal presented an opportunity to realise part of its investment in the Sale Shares.

With reference to the Disposal Announcement, it is the intention for the Group to dispose its entire investment in Quantron AG. As such, the Group will continue to explore opportunity to dispose the remaining 5,919 shares of Quantron AG held by the Group.

In light of the above, the Board is of the view that the Disposal is a commercially sensible business decision and an appropriate course of action to take for the long-term development of the Group. As such, the Board considers the terms and conditions of the Sale and Purchase Agreement and the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTENDED USE OF PROCEEDS FROM THE DISPOSAL

The net proceeds from the Disposal, after deducting transaction costs, are estimated to be approximately EUR5.3 million (equivalent to approximately HK$42.4 million), which is intended to be used for the development and expansion of the Company's electric vehicle business and general working capital purposes.

FINANCIAL EFFECT OF THE DISPOSAL

The Sale Shares is classified as financial asset at fair value through profit or loss in the Group's consolidated financial statements. Upon Completion, the Company will continue to hold 5,919 shares of Quantron AG, representing approximately 8.95% of the entire equity interest in Quantron AG, which will continue to be classified as financial asset at fair value through profit or loss in the Group's consolidated financial statements

The Group expects to recognise an unaudited gain of approximately HK$27.3 million as a result of the Disposal, which is calculated based on the proceeds from the Disposal of approximately HK$45.1 million, deducted by the book value of the Sale Shares on the consolidated financial statements of the Group of approximately HK$15.1 million and the estimated transaction cost of approximately HK$2.7 million for the Disposal. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to audit and will be assessed after the Completion.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the capital commitment of the Group in relation to the Disposal are more than 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Completion of the Disposal is subject to the satisfaction of the local laws and regulations in Germany where Quantron AG operates. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

"Board"	the board of Directors
"Company"	Ev Dynamics (Holdings) Limited, a company incorporated under the laws of Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 476)

"Completion"	completion of the Disposal subject to and upon the respective terms and conditions of the Sale and Purchase Agreement
"Completion Date"	the date of Completion
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the consideration of EUR5,635,000 (equivalent to approximately HK$45,080,000) for the Disposal under the Sale and Purchase Agreement
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Sale Shares by the Company to the Purchaser under the Sale and Purchase Agreement
"Disposal Announcement"	the announcement of the Company dated 8 June 2022 in relation to the Term Sheet
"EUR"	Euros, the lawful currency of the member states of the European Union
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
"Previous Purchaser"	YCapital EV Technology Limited, a company incorporated in British Virgin Islands
"Purchaser"	Nordicon Group DMCC, a limited liability company incorporated in United Arab Emirates
"Quantron AG"	a company incorporated in Germany with limited liability and owned as to 13.85% by the Company, as to 28.85% by other investors and as to 57.3% by Mr. Andreas Haller as at the date of this announcement
"Sale and Purchase Agreement"	the sale and purchase agreement dated 23 November 2022 entered into between the Company and the Purchaser in relation to the Disposal

"Sale Shares"	3,238 shares of Quantron AG, representing approximately 4.9% of equity interest in Quantron AG as at the date of this announcement
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriptions"	the subscription of the Sale Shares in Quantron AG by the Company pursuant to (i) an investment agreement made between the Company, Quantron AG, Mr. Andreas Haller and Haller Holding dated 30 April 2021; and (ii) a subscription agreement dated 29 July 2021 entered into between the Company and Quantron AG. Details of which are set out in the announcements of the Company dated 30 April 2021 and 29 July 2021
"Term Sheet"	the term sheet dated 8 June 2022 entered into between the Company and the Previous Purchaser in relation to the disposal of 9,157 shares of Quantron AG by the Company
"%"	per cent

For illustration only, amounts in EUR have been translated into HK$ at the exchange rate of EUR1 = HK$8.00.

For and on behalf of the Board
Ev Dynamics (Holdings) Limited
Cheung Ngan
Chairman

Hong Kong, 23 November 2022

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Cheung Ngan, Mr. Miguel Valldecabres Polop and Ms. Chan Hoi Ying, and three independent non-executive Directors, namely Mr. Chan Francis Ping Kuen, Mr. Lee Kwok Leung and Dato' Tan Yee Boon.