

**SINOPOLY BATTERY LTD:
THE COMPANY WILL INVEST \$HK328 MILLION
IN A U.S. LOSS-MAKING, ELECTRIC-VEHICLE PRODUCER**

Sinopoly Battery Ltd () (Code: 729, Main Board, The Stock Exchange of Hongkong Ltd) has committed \$US42 million (about \$HK328 million) to be invested in Smith Electric Vehicles Corporation of Kansas City, Missouri, The United States of America.

That sum of \$HK328 million is about \$HK12 million less than the Net Assets of the company in respect of the Financial Year, ended March 31, 2013.

According to an official announcement from Smith Electric Vehicles, Sinopoly Battery paid \$US2 million (about \$HK16 million) to it, that amount of money, being the first round of funding.

The remaining commitment of \$US40 million will be paid in two tranches, *‘pending milestones both companies achieve in the coming months’*.

The investment of Sinopoly Battery in Smith Electric Vehicles includes an agreement that Sinopoly Battery will be the exclusive supplier of batteries to Smith Electric Vehicles and the preferred supplier of certain electric vehicle components that can be manufactured at the Hangzhou facility, owned by Sinopoly Battery.

It was only on April 7, 2014, that Smith Electric Vehicles was forced to suspend production and assembly operations at the Kansas City electric vehicle plant – because the company was unable to turn a profit from its operations and, obviously, it was running out of money.

According to Mr Bryan Hansel, the Chief Executive Officer of Smith Electric Vehicles:

‘We strategically did shut down the Kansas City facility because we didn’t see (the) value in continuing to build a small number of vehicles at the price point we were.’

‘We needed to transition both our manufacturing and assembly process as well as our supply chain to the next level so (that) we could be ready to go to volume and make money doing it.’

(Americans seem to have somewhat of a partial monopoly on gobbledegook, these days.)

In an official announcement by Sinopoly Battery, it is stated, among other things:

‘On 11 May 2014, the Company entered into the Agreement with SEV (Smith Electric Vehicles) with respect to, among other things, the Note Subscription, the Preferred Share Subscription, the Common Share Subscription, the Exclusive Battery Supply Contract and the EV Component Supply MOU (Memorandum Of Understanding).

‘Pursuant to the Agreement, the Company (i) has agreed to subscribe (a) the Series AA Notes in the principal amount of US\$2,000,000; and (b) the Series E Preferred Shares offering at a total subscription amount of US\$10,000,000 subject to, among other things, the execution of the Exclusive Battery Supply Contract and the EV Component Supply MOU; and (ii) will enter into definitive agreements to subscribe for common shares of Pubco (the post-Qualified holding

company of which Smith Electric Vehicles will become its wholly owned subsidiary) *for a total subscription amount of US\$30,000,000 subject to, among other things, the completion of the Qualified Merger and the Listing.*

'The Note Subscription, the Preferred Share Subscription and the Common Share Subscription are not inter-conditional for the Company.

'SEV is principally engaged in the manufacturing and sale of commercial all-electric vehicles and its primary base of operation is in Kansas City, Missouri, the US. SEV intends to merge with a company traded on the OTC Bulletin Board and seek listing on NYSE, NYSE MKT or NASDAQ thereafter.'

On October 31, 2013, Sinopoly Battery ... [CLICK TO ORDER FULL ARTICLE](#)

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