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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)

VERY SUBSTANTIAL ACQUISITION AND RESUMPTION OF TRADING

Financial adviser to Honbridge Holdings Limited



CIMB
CIMB Securities (HK) Limited

THE EQUITY TRANSFER AGREEMENT

On 7 November 2009, the Company as the purchaser entered into the Equity Transfer Agreement with BPL as the vendor and Shandong Zhi Xiang as the guarantor pursuant to which the company has conditionally agreed to acquire and BPL has conditionally agreed to sell the Sale Shares at a consideration of HK\$880,000,000.

The consideration will be satisfied by way of (i) allotment and issue of 600,000,000 Consideration Shares at HK\$0.8 each at an aggregate value of HK\$480,000,000; and (ii) issue of the CN in the principal amount of HK\$400,000,000 to BPL or parties nominated by BPL. The Consideration Shares and the CN are subject to a lock-up period of 24 months from the date of issuance of the Consideration Shares and the CN (“Lock-Up Period”). During the Lock-Up Period, the holders of the Consideration Shares and the CN cannot sell, transfer or dispose of the Consideration Shares and the CN. The Consideration Shares and the CN will be deposited with an independent escrow agent and the Company and BPL will enter into an escrow agreement with the independent escrow agent in this regard.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, BPL and its ultimate beneficial owner are third parties independent of the Company and its connected persons. Upon Completion, Hill Talent will become a direct wholly-owned subsidiary of the Company whereas Hill Talent will hold 66% of the legal and beneficial interests of Xianglan Brazil. The accounts of the Target Group will be consolidated into that of the Group.

GENERAL

The Acquisition constitutes a very substantial acquisition for the Company under Chapter 19 of the GEM Listing Rules. The Acquisition is therefore subject to the reporting, announcement, and Shareholders' approval general requirements under the GEM Listing Rules. A Circular containing further information on the Acquisition and a notice of the EGM will be despatched to the Shareholders in accordance with the requirements of the GEM Listing Rules as soon as practicable.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 9 November 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 13 November 2009.

THE EQUITY TRANSFER AGREEMENT DATED 7 NOVEMBER 2009

Parties

Purchaser: the Company
Vendor: BPL
Guarantor: Shandong Zhi Xiang

To the best of the directors' knowledge, information and belief having made all reasonable enquiries, BPL and Shandong Zhi Xiang are third parties independent of the Company and its connected persons.

Assets to be transferred:

Pursuant to the Equity Transfer Agreement, the Company has conditionally agreed to purchase and BPL has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of Hill Talent, free from encumbrance and together with all rights now or thereafter attached thereto on or after the Completion Date.

Upon Completion, Hill Talent will become a direct wholly-owned subsidiary of the Company whereas Hill Talent will hold 66% of the legal and beneficial interests in Xianglan Brazil.

Consideration

The consideration will be satisfied by way of (i) allotment and issue of 600,000,000 Consideration Shares at HK\$0.8 each at an aggregate value of HK\$480,000,000; and (ii) issue of the CN in the principal amount of HK\$400,000,000 to BPL or parties nominated by BPL. The consideration was determined after arm's length negotiation between BPL and the Company taking into consideration of the estimated potential manganese resources of the 3 exploration licenses of approximately 8.265 million tones (based on estimation provided by Xianglan Brazil) and the opportunity to participate in the resources-related industry with a potential to be engaged in mineral trading. The Consideration Shares and the CN are subject to a lock-up period of 24 months from the date of issuance of the Consideration Shares and the CN. During the Lock-Up Period, the holders of the Consideration Shares and the CN cannot sell, transfer or dispose of the Consideration Shares and the CN. The Consideration Shares and the CN will be deposited with an independent escrow agent and the Company and BPL will enter into an escrow agreement with the independent escrow agent in this regard.

The above mentioned Lock-Up Period will end upon occurrence of any one of the following circumstances:

- (1) when the shareholding of Mr. He Xuechu and the companies under his control (direct and indirect) in the Company falls below 30%, or such other percentage which triggers a mandatory general offer pursuant to The Hong Kong Code on Takeovers and Mergers, whichever is lower;
- (2) when Mr. He Xuechu ceases to be an executive Director of the Company;
- (3) upon receipt of a general offer from any party by the Company; or
- (4) when the Company agrees to end the Lock-Up Period at an earlier date.

Guarantee

Shandong Zhi Xiang guarantees the due performance of BPL's obligations under the Equity Transfer Agreement.

Conditions Precedent to the Equity Transfer Agreement

Completion of the Equity Transfer Agreement is conditional upon, amongst other things, satisfaction of the following conditions precedent:

- (i) the approval of the Equity Transfer Agreement by the Shareholders at the EGM;
- (ii) the Stock Exchange having granted the approval of the listing of and permission to deal in the Consideration Shares and the Conversion Shares to be issued on conversion of the CN;

- (iii) all necessary consents and approvals in relation to the transactions contemplated under the Equity Transfer Agreement having been obtained by BPL and such consents and approvals should be valid up to the Completion Date and there has been no rules or regulations imposed by the relevant authorities to forbid or seriously delay the sale of Sale Shares under the Equity Transfer Agreement and the Completion; or that will constitute material or adverse effect to the Hill Talent upon Completion;
- (iv) completion of the Reorganisation;
- (v) the Certificate of Incumbency and the Certificate of Good Standing of the Hill Talent having been provided to the Company and such certificates should not be dated earlier than 7 days before the Completion Date;
- (vi) the Company being satisfied with the result of the due diligence reviews on amongst other things, the assets (including but not limited to the exploration rights hold by Xianglan Brazil), liabilities, operation, tax, accounts and legal aspects in relation to the Target Group;
- (vii) the Company having received and being satisfied with the legal opinion issued by a Brazil legal adviser specialized in the Brazilian mining laws and corporate laws (the costs of preparing such legal opinion shall be borne equally by the Company and BPL);
- (viii) all warranties given by BPL (including but not limited to the successful extension of exploration licenses held by Xianglan Brazil for the next three years) remaining true and accurate in all respects and not misleading;
- (ix) issue of a technical report by an independent technical adviser showing the level of manganese reserve of the Mines acceptable to the Company;
- (x) issue of a valuation report by an independent valuer showing a valuation of Xianglan Brazil at not less than HK\$1,000 million; and
- (xi) no material breach of the terms and conditions of the Equity Transfer Agreement by BPL before the Completion Date.

The Company may waive in writing all or any of the above conditions (except (i) and (ii)). If the above conditions have not been fulfilled or waived on or before 180 days from the date of the Equity Transfer Agreement or such other date as the Company and BPL may agree, the Equity Transfer Agreement shall be deemed to be terminated and neither party shall have any claims whatsoever against the other in connection therewith (save and except claims against breach of confidential obligation).

Completion

Completion of the Equity Transfer Agreement will take place on the 7th business day after the date on which the conditions precedent of the Equity Transfer Agreement are fulfilled or as the case may be waived, or such other date as the parties to the Equity Transfer Agreement may agree in writing.

THE CONSIDERATION SHARES

The issue price for each of the Consideration Shares is HK\$0.8 per Share, which has been determined by the parties with reference to the average closing price of the Share for the last 5-days and 10-days up to and including the Last Trading Day, representing:

- a discount of approximately 5.88% to the closing price of HK\$0.85 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a discount of approximately 3.85% to the average closing price of HK\$0.832 per Share for the five consecutive trading days up to and including the Last Trading Day;
- a discount of approximately 0.5% to the average closing price of HK\$0.804 per Share for the ten consecutive trading days up to and including the Last Trading Day;
- a premium of approximately 189.48% over the unaudited consolidated net asset value per Share as at 30 June 2009 (calculated by dividing the net asset value of the Company as at 30 June 2009 by the number of issued shares as at the date of this announcement) of approximately HK\$0.0042.

The Consideration Shares represents approximately 10.88% of the existing issued share capital respectively, and approximately 9.82% of the enlarged issued share capital of the Company as enlarged by the issue of the Consideration Shares. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

RANKING OF CONSIDERATION SHARES

The Consideration Shares, when issued and allotted, will rank pari passu in all respects with the existing Shares then in issue.

THE CN

The Company will issue the CN to BPL in the principal amount of HK\$400,000,000 as part of the consideration for the Acquisition. Based on the conversion price of HK\$1 per Conversion Share and assuming full conversion of the CN at the conversion price of HK\$1, the CN will be convertible into 400,000,000 Conversion Shares, representing approximately 7.26% of the issued share capital of the Company as at the date of this announcement and approximately 6.77% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. No Application will be made for the listing of the CN on the Stock Exchange or any other stock exchange. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be issued upon conversion of the CN.

PRINCIPAL TERMS OF THE CN

The principal terms of the CN are summarized as follows:

Issuer	The Company
Principal Amount	The principal amount of the CN will be HK\$400 million

Form and Denomination	In registered form and in denominations of HK\$50,000,000
Coupon Rate	Zero Coupon
Maturity Date	The CN is due and will mature on the day falling on the fifth (5th) anniversary of the date of issuance of the CN (“Maturity Date”)
Restricted period	The CN shall not be transferable, convertible or redeemable, during the period of 24 months from (and inclusive of) the issue date of the CN (“Restricted Period”)
Conversion Period	from the date immediately after the expiry of the Restricted Period up to (but excluding) third business day before the Maturity Date (the “Conversion Period”)
Initial Conversion Price	Initial conversion price at HK\$1 per Conversion Share (“Initial Conversion Price”). The Initial Conversion Price is subject to adjustment upon the Shares becoming of a different nominal amount by way of consolidation or subdivision, issue of Shares by way of capitalisation of profits or reserves, and capital distribution by the Company.
Conversion rights	The holder of the CN shall have the right to convert the CN into the Shares after the Restricted Period. The conversion rights shall only be exercisable so long as the public float of at least 25 per cent of the issued share capital of the Company as enlarged by the issue of Conversion Shares can be maintained. In the event that the public float of at least 25 per cent cannot be maintained as result of the noteholder’s exercise of conversion rights hereunder on the Maturity Date, the noteholder’s conversion right hereunder shall be extended for a term of two years immediately after the Maturity Date.
Redemption	The CN is not redeemable by the noteholder. The Company shall have the right to redeem any portion of the CN outstanding at an amount equals to the principal amount of the Convertible Note in its sole and absolute discretion at any time and from time to time prior to the Maturity Date.
Ranking of Conversion Shares upon conversion of the CN	The Conversion Shares which will be allotted and issued upon conversion of CN shall rank pari passu with the Shares then in issue.

Events of Default

If any of the following events occurs, the noteholder may give notice to the Company that the CN is, and it shall on the giving of such notice immediately become due:

- (a) the Company defaults in performance or observance or compliance with any of its other obligations set out in the terms and condition of the CN and is incapable of remedy or, if capable of remedy, is not in the reasonable opinion of the noteholder remedied within twenty one business days after notice of such default shall have been given to the Company by such noteholder; or
- (b) an encumbrancer takes possession or a receiver, manager or other similar officer is appointed of the whole or any part of the undertaking, property, assets or revenues of the Company or its operating subsidiaries, and which are material to the Group's business, operations, assets, financial condition; or
- (c) the Company becomes insolvent or is unable to pay its debts as they mature or applies for or consents to or suffers the appointment of any administrator, liquidator or receiver of the Company or the whole or any part of the undertaking, property, assets or revenues of the Company or takes any proceeding under any law for a readjustment or deferment of its obligations or any part of them or makes or enters into a general assignment or compromise with or for the benefit of its creditors; or
- (d) an order is made or an effective resolution passed for winding-up of the Company or any of its major subsidiaries except in the case of winding-up of subsidiaries in the course of internal reorganisation; or
- (e) a moratorium is agreed or declared in respect of any indebtedness of the Company or any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates all or a substantial part of the assets of the Company; or
- (f) the Shares (as a class) cease to be listed on the Stock Exchange or a recognised stock exchange or the trading of the Shares are suspended by the Stock Exchange (for reasons other than clearance of announcement as required by the GEM Listing Rules) for a continuous period of twenty one trading days; or

- (g) any other bonds, debentures, notes or other instruments of indebtedness or any other loan indebtedness having an aggregate outstanding amount of at least HK\$10,000,000 of the Company or any of its subsidiaries become or becomes prematurely repayable following a default in respect of the terms thereof which shall not have been remedied, or steps are taken to enforce any security therefor, or the Company or any of its subsidiaries defaults in the repayment of such indebtedness at the maturity thereof and which will constitute a material adverse effect on the Group's business, operations, assets, financial condition.

Governing Law

Hong Kong law

SPECIFIC MANDATE

The Consideration Shares and the Conversion Shares shall be allotted and issued pursuant to a specific mandate to be granted to the Directors which will be sought from the Shareholders in the forthcoming EGM, and such specific mandate shall not affect any general mandate which have been granted to the Directors. The Company will apply to the Stock Exchange for the approval of the listing of and permission to deal in the Consideration Shares and the Conversion Shares.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structures of the Company as at the date of this announcement and upon completion of the Acquisition:

	As at the date of this announcement		Upon completion of the Acquisition but before conversion of the CN		Upon completion of the Acquisition and after full conversion of the CN	
	<i>No of Shares</i>	<i>%</i>	<i>No of Shares</i>	<i>%</i>	<i>No of Shares</i>	<i>%</i>
Hong Bridge (<i>Note 1</i>)	4,095,000,000	74.28%	4,095,000,000	66.99%	4,095,000,000	62.88%
Public:						
Gui Sheng Yue	300,000,000	5.44%	300,000,000	4.91%	300,000,000	4.61%
Vendor (<i>Note 2</i>)	–	0.00%	600,000,000	9.82%	1,000,000,000	15.35%
Other public Shareholders	1,117,719,716	20.28%	1,117,719,716	18.28%	1,117,719,716	17.16%
	<u>5,512,719,716</u>	<u>100.00%</u>	<u>6,112,719,716</u>	<u>100.00%</u>	<u>6,512,719,716</u>	<u>100.00%</u>

Notes:

- (1) Hong Bridge is wholly-owned by Mr. He Xuechu, the Chairman and a Director of the Company.
- (2) Upon full conversion of the CN, the vendor may become a substantial shareholder of the Company. Pursuant to the terms and conditions of the CN, the conversion rights shall only be exercisable so long as the public float of at least 25 per cent of the issued share capital of the Company as enlarged by the issue of Conversion Shares can be maintained.

INFORMATION ON XIANGLAN BRAZIL

Xianglan Brazil is a company incorporated in Brazil. Its principal activity is the identification and exploration of mineral resources, process, sales and import and export of mineral resources. Xianglan Brazil holds the following 3 exploration licenses for the Mines in the Bahia State of Brazil.

Xianglan Brazil is looking for opportunity in the trading of mineral products. As at the date of this announcement, Xianglan Brazil has not yet commenced with large scale exploration and other business.

Exploration Licenses:

Duration:

1	DNPM NO.872.734/2006, covering 2,000 hectares	From 29 December 2006 to 29 December 2009 (<i>Note</i>)
2	DNPM NO.872.958/2006, covering 2,000 hectares	From 29 December 2006 to 29 December 2009 (<i>Note</i>)
3	DNPM NO.870.140/2007, covering 1,750 hectares	From 23 April 2007 to 23 April 2010

Note : Based on the information provided by Xianglan Brazil, it is in the process of applying for an extension of the exploration licenses for the next three years.

If Xianglan Brazil fails to obtain extension of the above 3 exploration licenses for the next three years before completion, such failure will constitute a breach of representation and warranty on the part of BPL in the Equity Transfer Agreement and as a result of which, the Company shall have the right to terminate the Equity Transfer Agreement.

Based on the information provided by Xianglan Brazil, the total area of the three exploration licenses is 5750 hectares and within this area, some manganese mine ore has been exposed, some are shallow mines, trenches and some are abandoned mining holes and roads.

Based on the information provided by Xianglan Brazil, it is initially estimated that the sizes of the three main ore bodies are (representing in length X width X thickness): 2,500 meter X (100 to 300) meter X 10 meter, 3,000 meter X 300 meter X 10 meter and 2,500 meter X 200 meter X 10 meter, respectively. Based on the result of the preliminary geological site test and the sample test on the exposed manganese mine ore, plus other test results from local geological experts, the average grade for the manganese mine ore is 45%.

Based on the assumption that the intensity of manganese mine ore is 3 tonnes per cubic meter, and the thickness of manganese mine ore is 14.5% of the whole main ore body, the total estimated potential reserve of the whole three mining areas is 8.265 million tonnes.

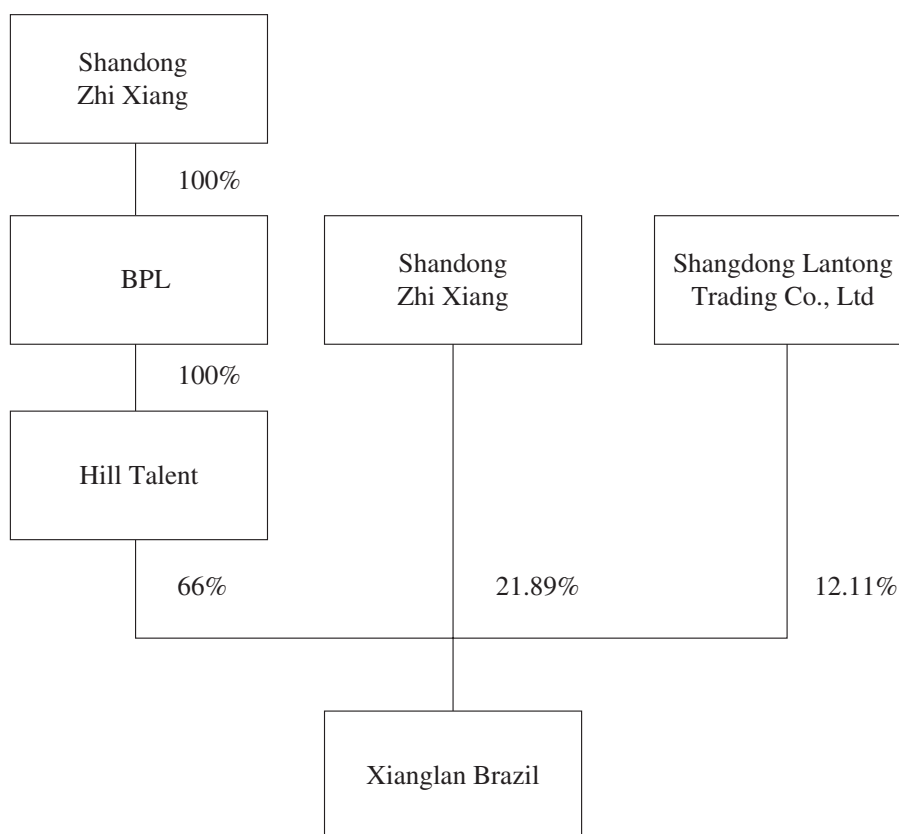
As at the date of this announcement, Xianglan Brazil is 87.8909% owned by Shandong Zhi Xiang. Prior to Completion, Shandong Zhi Xiang will complete the Reorganisation to transfer 66% interest in Xianglan Brazil to Hill Talent.

Xianglan Brasil is in the process of negotiating and finalising the terms for the acquisition of a iron ore mine in Brasil. The target asset is situated in Rio De Contas city, Bahia state of Brasil covering the area of 1999.73 hectares. The Company will include the details of this acquisition upon signing of the formal agreement in the Circular, if the acquisition proceeded.

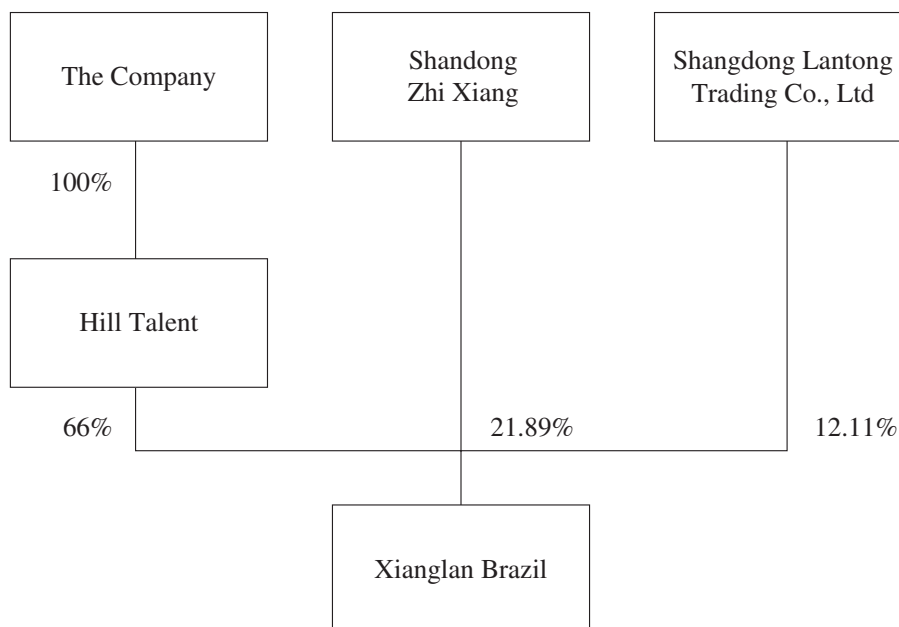
Shandong Zhi Xiang is a company incorporated in the PRC. Its principal activities are trading of electrical and engineering products, spare parts for mining, metals material, investment, and import and export trading.

Upon Reorganisation but before the Completion, Hill Talent will be incorporated in the British Virgin Islands with limited liability and will be an investment holding company. Hill Talent will be 100% owned by BPL. Save for holding the 66% of the issued share capital of Xianglan Brasil, Hill Talent will not hold any other investments.

The shareholding structure of Xianglan Brasil upon completion of the Reorganisation but before Completion is as follows:



The shareholding structure of Xianglan Brazil upon Completion is as follows:



Financial information

Xianglan Brazil was incorporated in Brazil on 11 November 2008.

The unaudited turnover and losses of Xianglan Brazil based on its management accounts were as follows:

<i>BRL'000</i>	From 11 November 2008 (date of incorporation) to 31 October 2009
Turnover	–
Loss before taxation	784,000 (approximately HK\$3,528,000)
Loss after taxation	784,000 (approximately HK\$3,528,000)

Note: financial statements prepared in accordance with International Financial Reporting Standards

The unaudited net assets of Xianglan Brazil as at 31 October 2009 was approximately BRL5,304,000 (approximately HK\$23,868,000), excluding the 3 exploration licenses for maganese mines in the Bahia State of Brazil. The accountants’ report of Xianglan Brazil will be included in the Circular.

REASONS FOR THE ACQUISITION

The Company is principally engaging in refining and trading of silicon and research and development of highly purified silicon for solar cells, magazine publishing and advertising activities. Since the Company was taken over by Hong Bridge in October 2007, the Group under the existing management has been continuously looking for appropriate investment opportunities in the energy and resources sector.

As stated in the interim report of the Company, for the first half of 2009, the Group recorded turnover of HK\$12.3 million which comprised HK\$1.8 million from the sale of highly purified silicon and HK\$10.5 million from the publication of magazines. Loss for the period was HK\$7.4 million which is HK\$0.6 million less than that of HK\$8.0 million for the same period last year.

The Company considers that the mining industry related to manganese resources has considerable development potentials. Manganese is one of the most important elements in the steel refining process. The internal consumption of steel in China has been increasing rapidly since 1990s, and particularly in recent years. The PRC's demand for steel is driven by the extensive and continual construction of infrastructures (such as power stations, ports, highways and railways) as a result of its rapid industrialisation. According to the 35th Annual Conference of the International Manganese Institute held in June 2009 in Dubai, the demand of manganese for steel refining in China has turned the country from a manganese-exporting to a manganese-importing country since the first quarter of 2009. Therefore, the Directors believe that demand of manganese will exceed supply in China in the future and consider that it is a good opportunity to invest in manganese mining asset.

In addition, the Company has been looking for opportunities to enter into the resources and energy market. As Xianglan Brazil's management is experienced in mineral trading, the Company is planning to leverage on the experiences and business connections of Xianglan Brazil's management team to engage in resources and mineral trading business.

In this regard, the Directors (including the independent non-executive Directors) consider that the Acquisition is an opportune investment for the Group to allow it to acquire a manganese mining asset and participate in the resources-related industry. The Directors expect that the Acquisition will present the Group with a favorable long term prospects. Upon Completion, Hill Talent will become a direct wholly-owned subsidiary of the Company whereas Hill Talent will hold 66% of the legal and beneficial interests of Xianglan Brazil. The accounts of the Target Group will be consolidated into that of the Group.

The issue of Consideration Shares and CN enables sufficient funding for the Acquisition without utilizing cash of the Company. Further, by issuing the CN, there is no immediate dilution effect on shareholding. The Directors (including the independent non-executive Directors) consider that this will strengthen the financial position of the Company and hence will be beneficial to the overall development and expansion of the Group.

Based on the aforesaid, the board of Directors is of the opinion that the terms of the Equity Transfer Agreement are fair and reasonable, on normal commercial terms and the Acquisition is in the interests of the Company and the Shareholders as a whole.

GENERAL

The Acquisition constitutes a very substantial acquisition for the Company under Chapter 19 of the GEM Listing Rules. The Acquisition is therefore subject to the reporting, announcement, and Shareholders' approval general requirements under the GEM Listing Rules. A Circular containing further information on the Acquisition and a notice of the EGM will be despatched to the Shareholders in accordance with the requirements of the GEM Listing Rules as soon as practicable.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 9 November 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 13 November 2009.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Acquisition”	the acquisition by the Company of the Sale Shares, representing the entire issued share capital of Hill Talent upon completion of the Reorganisation whereby Hill Talent will be holding 66% legal and beneficial interests in Xianglan Brazil from BPL pursuant to the terms and conditions of the Equity Transfer Agreement
“BPL”	Brilliant People Limited, a company incorporated in the British Virgin Islands and wholly-owned by Shandong Zhi Xiang
“CN”	the zero coupon HK\$400,000,000 irredeemable convertible note due 2014 to be issued by the Company under the Equity Transfer Agreement
“Circular”	the circular of the Company to be dispatched to Shareholders in relation to the Acquisition
“Company”	Honbridge Holdings Limited, a company incorporated in the Cayman Islands with limited liabilities, the Shares of which are listed on the GEM
“Completion”	completion of the Equity Transfer Agreement

“Completion Date”	the 7th business day after the fulfilment or waiver of the conditions precedent of the Equity Transfer Agreement (or such other date as may be agreed between the parties to the Equity Transfer Agreement)
“Consideration Shares”	600,000,000 new Shares to be issued by the Company pursuant to the Equity Transfer Agreement
“Conversion Shares”	the Shares to be issued upon conversion of the CN
“connected person”	has the same meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought appropriate, to approve, among other matters (if any), the Equity Transfer Agreement and the transactions contemplated thereunder
“Equity Transfer Agreement”	the share transfer agreement dated 7 November 2009 entered into between the Company, BPL and Shandong Zhi Xiang in relation to the Acquisition as more particularly set out under the section headed “The Equity Transfer Agreement Dated 7 November 2009” of this announcement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hill Talent”	Hill Talent Limited, a company incorporated in the British Virgin Islands and wholly-owned by BPL
“Last Trading Day”	6 November 2009, being the last trading day immediately prior to the suspension of trading in the Shares pending the release of this announcement
“Mines”	the three manganese mines of Xianglan Brazil, details of which are set out under the section headed “Information on Xianglan Brazil” of this announcement
“PRC”	the Peoples’ Republic of China

“Reorganisation”	the reorganisation to be undertaken by Shandong Zhi Xiang under which Shandong Zhi Xiang will incorporate a direct wholly-owned subsidiary, Hill Talent, which will hold 66% legal and beneficial interests in Xianglan Brazil. Details of which are set out in the shareholding structure under the heading ‘Information on Xianglan Brazil’ in this announcement
“Sale Shares”	the entire issued share capital of Hill Talent upon completion of the Reorganisation whereby Hill Talent will be holding 66% legal and beneficial interests in Xianglan Brazil
“Shandong Zhi Xiang”	Shandong Zhi Xiang Trading Limited, a company incorporated in the PRC
“Shares”	ordinary share(s) of HK\$0.001 in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Hill Talent and Xianglan Brazil
“Xianglan Brazil”	Xianglan Do Brasil Mineração Ltda, a company incorporated in Brazil and currently owned as to 87.8909% by Shandong Zhi Xiang
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Honbridge Holdings Limited
LIU Wei, William
Director and Chief Executive Officer

Hong Kong, 12 November 2009

As at the date of this announcement, the Board comprises Mr. He Xuechu, Mr. Liu Wei, William and Mr. Shi Li Xin as executive directors; and Mr. Chan Chun Wai, Tony, Mr. Fok Hon and Mr. Ma Gang as independent non-executive directors.

This announcement, for which the Directors of the Company 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

In this announcement, BRL has been converted to HK\$ at the rate of BRL1 = HK\$4.50 for illustration purpose only. No representation is made that any amounts in BRL or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting.