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HONBRIDGE HOLDINGS LIMITED

(incorporated in the Cayman islands with limited liability)

(stock code : 8137)

MEMORANDUM OF UNDERSTANDING IN RELATION TO BUSINESS COOPERATION OF SAM WITH BAHIA GOVERNMENT

This announcement is made by the Company on a voluntary basis to keep the Shareholders and potential investors of the Company informed of the latest business development of the Group.

Reference is made to the announcements of the Company dated 18 November 2009, 18 December 2009, 29 January 2010 and 3 March 2010 in relation to the entering into of the MOU by the Company with VNN in relation to the possible Acquisition. Reference is also made to the announcement of the Company dated 16 April 2010 regarding the entering into of the definitive Share Purchase Agreement in relation to the Acquisition between Lit Mining and VNN as the sellers, Esperanto and Mineral Ventures; Infinite Sky, as the buyer, New Trinity, and the Company. The following memorandum of understanding is entered into by SAM, which will become a wholly owned subsidiary of the Company after the Acquisition, with Bahia government.

The Bahia-MOU

On 18 June 2010 (Brazil time), SAM and Bahia Government entered into the Bahia-MOU pursuant to which the parties agreed to conduct a wide range of cooperation to support the implementation of the Project in relation to, amongst all, the port facilities, and a pipeline for handling and shipment of pellet feed and pellets of iron ore in Bahia and, in a second phase, a plant for production of pellets of iron ore.

The Bahia-MOU sets out the cooperation framework between SAM and the Bahia Government. The terms set out in the Bahia-MOU are not legally binding. **Shareholders and investors should note that certain figures contained in this announcement might only represent a reference or estimation. Shareholders and investors are cautioned that reliance on any of these figures involves risk and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the figures based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the enclosure of figures in this announcement should not be regarded as**

representations by us that the plans and objectives will be achieved, and investors should not place undue reliance on such statements. Shareholders and investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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THE BAHIA-MOU

Date

18 June 2010 (Brazil time)

Parties

- (1) SAM, which will become a wholly owned subsidiary of the Company after the Acquisition
- (2) Bahia Government

Principal terms of the Bahia-MOU

Under the Bahia-MOU, SAM agreed to the following:

- a) SAM shall undertake the installation of port facilities and a pipeline and, in a second phase, a plant for production of pellets of iron ore in Bahia;
- b) SAM expects to generate approximately 460 direct jobs when it reaches its full operational capability;
- c) SAM shall support the implementation of the basic engineering of Porto Sul;
- d) SAM shall begin the installation of the plant for production of pellets no later than one year after obtaining the installation license with the relevant agency;
- e) SAM shall employ and develop modern technology for industrial process and product in order to participate directly and intensively in the development of Bahia;
- f) SAM shall promote training and education of skilled workforce, primarily local, to be used in the manufacturing process;

- g) SAM shall inform the relevant government body of the stage of development progress of the Project and the forecast of implementation every six months between the date of the Bahia-MOU and the date of commencement of operation;
- h) SAM shall submit half yearly reports on the progress of development of the Project during the period of enjoyment of tax incentives, and enable experts accredited by Bahia Government to visit its facilities. If SAM fails to meet this requirement, temporary suspension of incentives may be initially imposed by Bahia Government or such tax incentives will be eventually cancelled if SAM recurs its failure;
- i) SAM shall meet all the requirements imposed by the relevant government bodies and follow the rules of environmental protection in accordance with the legislation in force during the construction of the production plant; and
- j) SAM shall use its best efforts to prioritize the direct and indirect employment of service providers in Bahia for civil works and other related services during the implementation of the Project, provided that conditions of price, quality and capacity are compatible with market conditions.

Under the Bahia-MOU, Bahia Government agreed to the following:

- a) Bahia government shall provide a retroport area of 70 hectares for storage of iron ore and pellets and a venue to be defined, an area of 60 hectares that meets the needs of SAM;
- b) Bahia Government shall ensure the electrical power available to SAM in respect of the rules applied by electric power companies in Bahia;
- c) Bahia Government shall endeavor to provide the income tax reduction subject to relevant laws;
- d) Bahia Government shall assist in obtaining necessary permits, including environmental and port operation, at federal, state and local level of the government, for operation of the Project;
- e) Bahia Government shall assist in obtaining the financing from official financial institutions for the implementation of the Project.

The effectiveness of fiscal and financial benefits will occur to the extent that the legal prerequisites are met by SAM in the form of legislation.

The term of the Bahia-MOU is 24 months from the date of Bahia-MOU. Either party will have the right to terminate or extend the term of the Bahia-MOU.

The Bahia-MOU sets out the cooperation framework between SAM and the Bahia Government. The Bahia-MOU is not legally binding. **Shareholders and investors should note that certain figures contained in this announcement might only represent a reference or estimation. Shareholders and investors are cautioned that reliance on any of these figures involves risk and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the figures based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the enclosure of figures in this announcement should not be regarded as representations by us that**

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REASONS FOR ENTERING INTO THE BAHIA-MOU

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 disclosed in the announcements of the Company dated 18 November 2009, 18 December 2009, 29 January 2010 and 3 March 2010, the Company has entered into the MOU with VNN in relation to the possible Acquisition. On 5 March 2010, the definitive Share Purchase Agreement in relation to the Acquisition was entered into between Lit Mining and VNN as the sellers, Esperanto and Mineral Ventures; Infinite Sky, as the buyer, New Trinity, and the Company. Details have been disclosed in the announcement of the Company dated 16 April 2010.

As the implementation of the Project involves substantial work on infrastructure and facilities which are normally subject to relevant government's consents and various approvals, SAM in Brazil and the Bahia Government entered into the Bahia-MOU setting out the cooperation framework. The Bahia-MOU is not legally binding. The Company believes that the Bahia-MOU will enable the Company to obtain support and assistance from the Brazilian local governmental authorities in relation to the Project.

DEFINITIONS

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

“Acquisition”	the acquisition by the Company of the SAM Shares pursuant to the terms and conditions of the Share Purchase Agreement, details of which have been disclosed in the announcement of the Company dated 16 April 2010
“Bahia”	the State of Bahia, Brazil
“Bahia Government”	government of Bahia
“Bahia-MOU”	the memorandum of understanding dated 18 June 2010 (Brazil time) entered into between the Company and BAHIA in relation to the business cooperation as disclosed in the section headed “The Bahia-MOU” in this announcement
“Board”	the board of Directors
“Brazil”	Federative Republic of Brazil
“Company”	Honbridge Holdings Limited, a company incorporated in the

	Cayman Islands with limited liabilities, the Shares of which are listed on the GEM
“Director(s)”	the director(s) of the Company
“Esperento”	Esperento S.à r.l., a Grand Duchy of Luxembourg private limited liability company (société à responsabilité limitée), an indirect wholly-owned subsidiary of VNN; Esperento is an investment holding company
“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
“Infinite Sky”	Infinite Sky Investments Limited, a company incorporated in the British Virgin Islands, a direct wholly-owned subsidiary of the Company
“Lit Mining ”	Lit Mining Coöperatief U.A., a Netherlands cooperative (coöperatie) and an indirect wholly-owned subsidiary of VNN; Lit Mining is an investment holding company
“MOU”	the memorandum of understanding dated 17 November 2009 entered into between the Company and VNN in relation to the possible Acquisition
“New Trinity”	New Trinity Holdings Limited, a company incorporated in the British Virgin Islands, an indirect wholly-owned subsidiary of the Company
“Project”	an integrated mine-pipeline-port project designed by SAM to produce 25mtpa of pellet feed with a life of mine of 20 years
“SAM”	Sul Americana de Metais S.A., a company incorporated in Brazil and an indirect wholly-owned subsidiary of VNN; SAM is principally engaged in the identification and exploration of iron mineral resources in the Brazilian states of MG and Bahia
“SAM Shares”	the entire issued share capital of SAM which consist of 9,999 common shares and the one preferred share of SAM
“Share(s)”	ordinary share(s) of HK\$0.001 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Purchase Agreement”	the share purchase agreement dated 5 March 2010 entered into between Lit Mining and VNN as the sellers, Esperento and Mineral Ventures; Infinite Sky, as the buyer, New Trinity, and the Company in relation to the Acquisition

“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“VNN”	Votorantim Novos Negócios Ltda., a company incorporated in Brazil and the venture capital / new business development division of Grupo Votorantim, one of Latin America’s largest industrial conglomerates
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent.

On behalf of the Board
Honbridge Holdings Limited
LIU Wei
Director and CEO

Hong Kong, 22 June 2010

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; Mr. Ang Siu Lun, Lawrence and Mr. Yan Weimin as non-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.

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 and on the Company’s website www.8137.hk