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## **HONBRIDGE HOLDINGS LIMITED**

*(incorporated in the Cayman islands with limited liability)*

(stock code : 8137)

### **CLARIFICATION ANNOUNCEMENT REGARDING A FALSE AND MISLEADING NEWS ARTICLE**

The board of Directors (the “Board”) refers to the article (the “Article”) appearing on web news of Sina Finance ([www.sina.com.hk](http://www.sina.com.hk)) and the PRC Securities Market Weekly Magazine on 17 January 2011 regarding certain allegations of Honbridge Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) in relation to the acquisition (the “Acquisition”) of Sul Americana de Metais S.A. (“SAM”) as disclosed in the announcement of the Company dated 16 April 2010, the circular of the Company dated 5 November 2010 and subsequently approved by the Shareholders at the EGM held on 23 November 2010. The Company wishes to make clarifications regarding certain contents of the Article in this announcement.

The Article, among others, contained allegations that

- the Company’s mining rights in Brazil are suspicious and dubious, and based on Brazilian Law, each legal person can only hold a maximum of fifty exploration permits and therefore the Group cannot hold 85 or 94 exploration permits
- based on the list of mining companies registered in Brazil as at the end of 2009 provided by the Brazilian Geological Survey to China Geological Survey (“**List**”), the reporter could not find SAM and its parent company Votorantim Novos Negocios Ltda.

In this regard, the Company has obtained a legal opinion from the Brazil legal counsel of the Company which stated that (i) there is currently in Brazil no limit for any company or individual to hold more than 50 Exploration Authorizations, which confirms the legality of the acquisition of Mining Rights by SAM, as well as its ability to apply for or otherwise acquire additional Exploration Rights in the future; and (ii) the Acquisition was carried out in compliance with Brazilian mining regulations within the scope of rules regarding the change of control of mining companies.

Further as advised by the Brazil legal counsel of the Company in the legal opinion, in accordance with the Brazilian legislation, since 1989 there is no limit for any

Brazilian or foreign-controlled entities or natural persons as to a maximum number of exploration authorization they may hold, and that at present, it is very common for large national and foreign players in the mining sector to hold hundreds or even thousands of mining rights. For instance, according to information provided by the Mining Registry (“*Cadastro Mineiro*”) of the DNPM (*Departamento Nacional de Produção Mineral*), the Brazilian authority responsible for supervising mineral exploration, and which is a matter of public record (not confidential), the Brazilian subsidiary of “Anglo American” (named *Anglo American Brasil Ltda.*) holds 129 (one hundred twenty nine) exploration authorizations, whereas the subsidiary of “Rio Tinto” (*Rio Tinto Desenvolvimentos Minerais Ltda.*) holds 378 (three hundred and seventy eight) exploration authorizations. The major Brazilian player in the iron ore business, *Vale S.A* holds 1,303 (one thousand three hundred and three) exploration authorizations.

Regarding the List, the Company is unsure what List the Article is referring to, its nature and purpose, or the criteria for companies to be included in it. Based on the due diligence performed by legal advisors on behalf of the Company, SAM was incorporated under the laws of Brazil in 2006 (with State Registry of Companies – JUCEMG – Junta Comercial Do Estado De Minas Gerais, and Company Registration Number 31300025179).

Based on various due diligence performed on behalf of the Company in the course of the Acquisition with the support of the Legal Opinion as referred to in the above, the Company wishes to clarify that the allegations in the Article referred to above are untrue and inaccurate.

The Company would also like to state that it takes any false or misleading allegations relating to the Company very seriously, and reserves the right to take legal action against any party making false or misleading allegations about the Company where appropriate.

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

Hong Kong, 20 January 2011

*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](http://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](http://www.8137.hk).*