THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Honbridge Holdings Limited**, you should at once hand this Circular to the purchaser, the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this Circular, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

This Circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Honbridge Holdings Limited.

Honbridge Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8137)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO SALE OF PUBLICATION BUSINESS

Financial adviser to Honbridge Holdings Limited

CIMB

CIMB Securities (HK) Limited

A notice convening the EGM of Honbridge Holdings Limited to be held at 2703, 27/F, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong on Friday, 18 March 2011 at 10:00 a.m. is set out on pages EGM-1 to EGM-2 of this Circular.

Whether or not you are able to attend, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment thereof should you so wish.

23 February 2011

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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In this Circular, the following expressions have the meanings set out below unless the context requires otherwise:

"Acquisition"	the acquisition by the Company of the SAM Shares as disclosed in the announcement dated 16 April 2010 and the circular dated 5 November 2010;
"Agreement"	the sale and purchase agreement dated 31 January 2011 entered into between the Company and the Purchaser in relation to the Disposal;
"associate(s)"	has the meaning ascribed to it in the GEM Listing Rules;
"Beforward"	Beforward Trading Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company;
"Business Day"	any day other than a Saturday, Sunday or any day on which commercial banks in New York City, Hong Kong and San Paulo are required or authorised to be closed;
"Clear Success"	Clear Success Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company;
"Closing Date"	on the earlier of the tenth Business Day following the resource confirmation date, as defined in the circular of the Company dated 5 November 2010, or in the event, Infinite Sky waives the condition regarding the occurrence of the resource confirmation, as defined in the circular of the Company dated 5 November 2010, the tenth Business Day following such waiver, or at such other time and place and on such other day as shall be mutually agreed upon in writing by Infinite Sky, VNN and Lit Mining;
"Circular"	this circular;
"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 Disposal pursuant to the Agreement;
"Directors"	the directors of the Company;
"Disposal"	the proposed disposal of the Sale Shares;

"Disposal Group"	Great Ready and its subsidiaries, namely Beforward, Clear Success, Honbridge Management, Jessicacode and Superb Taste;
"EGM"	the extraordinary general meeting of the Company to be convened at 2703, 27/F, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong on Friday, 18 March 2011 at 10:00 a.m. to approve the Disposal;
"GEM"	the Growth Enterprise Market of the Stock Exchange;
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the GEM;
"Great Ready"	Great Ready Assets Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company;
"Group"	the Company and its subsidiaries;
"Hill Talent"	Hill Talent Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company;
"Hong Bridge"	Hong Bridge Capital Limited, a company incorporated in the British Virgin Islands and is wholly owned by Mr. He;
"Honbridge Management"	Honbridge Management Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Hongying Trading"	Shanghai Hongying Trading Co. Ltd.* (上海洪鷹貿易有限公司), a limited liabilities company incorporated in the PRC for the purpose of carrying out trading of steel and steel related products, an indirect wholly-owned subsidiary of the Company;
"Infinite Sky"	Infinite Sky Investments Limited, a company incorporated in the British Virgin Islands, a direct wholly-owned subsidiary of the Company;
"Jessicacode"	Jessicacode Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;

"Latest Practicable Date"	21 February 2011, being the latest practicable date for ascertaining certain information contained in this circular;
"Lit Mining"	Lit Mining Cooperatief U.A., a Netherlands cooperative (cooperatie) and an indirect wholly-owned subsidiary of VNN; Lit Mining is an investment holding company;
"Mr. He"	Mr. He Xuechu, the chairman and an executive director of the Company;
"Mr. Ng"	Mr. Ng Hung Sang, the sole shareholder of the Purchaser;
"PRC"	the People's Republic of China, which for the purpose of this Circular, excludes Hong Kong, Macau and Taiwan;
"Project"	an integrated mine-pipeline-port project designed by SAM to produce 25 million tons per annum of pellet feed with a life of mine of at least 20 years;
"Purchaser"	Win Gain Investments Limited, a company incorporated in the British Virgin Islands with limited liability;
"Remaining Group"	the Group excluding the Disposal Group;
"SAM"	Sul Americana de Metais S.A., a company incorporated in Brazil and an indirect wholly-owned subsidiary of VNN;
"Sale Shares"	the entire issued share capital of Great Ready;
"SDIS"	山東鋼鐵集團有限公司 (Shandong Iron and Steel Group Co., Ltd*), a PRC state-owned enterprise which is principally engaged in the production and sale of iron and steel products;
"Share(s)"	the share(s) of HK$0.001 each in the issued share capital of the Company;
"Shareholder(s)"	the holder(s) of Shares;

“Share Purchase Agreement”	the share purchase agreement dated 5 March 2010 entered into between Lit Mining and VNN as the sellers, Esperento S.à r.l. and Mineral Ventures Participações Ltda., Infinite Sky Investments Limited as the buyer, New Trinity Holdings Limited, and the Company in relation to the Acquisition;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Superb Taste”	Superb Taste Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
“VNN”	Votorantim Novos Negócios Ltda., a company incorporated in Brazil and the venture capital/new business development division of Grupo Votorantim;
“Xianglan Brazil”	Xianglan Do Brasil Mineração Ltda, a company incorporated in Brazil and currently owned as to 66% by Hill Talent;
“Xinwen”	新汶礦業集團有限責任公司 (Xinwen Mining Group Co., Ltd*), a PRC state-owned enterprise, which is principally engaged in mining activities;
“Yingyue”	Shanghai Yingyue Industrial Co. Ltd.*（上海鷹悅實業有限公司）, a limited liabilities company incorporated in the PRC and owned as to 70% by Mr. Yan;
“HK$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	Reminbi, the lawful currency of the PRC; and
“%”	per cent.

* *For identification purpose only*

Unless otherwise specified in this Circular, amounts denominated in US$ have been translated, for the purpose of illustration only, into HK$ using the exchange rate of US$1 = HK$7.75.

No representation is made that any amount in HK$ could have been or could be converted at the above rate or any other rates or at all.

Honbridge Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8137)

Executive Directors:
Mr. He Xuechu *(Chairman)*
Mr. Liu Wei, William *(Chief Executive Officer)*
Mr. Shi Lixin

Non-executive Directors:
Mr. Ang Siu Lun, Lawrence
Mr. Yan Weimin

Independent Non-executive Directors:
Mr. Chan Chun Wai, Tony
Mr. Fok Hon
Mr. Ma Gang

Registered Office:
Scotia Centre
4th Floor, P.O. Box 2804
George Town, Grand Cayman
Cayman Islands

Principal Place of Business in Hong Kong:
Suite 2703, 27/F
Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

23 February 2011

To the Shareholders

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL IN RELATION TO SALE OF PUBLICATION BUSINESS

INTRODUCTION

Reference is made to the announcement of the Company dated 31 January 2011 in relation to the Disposal.

On 31 January 2011, the Company as the vendor and the Purchaser entered into the Agreement, pursuant to which, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares at a consideration of HK$1,000,000.

The purpose of this Circular is to provide you with further details of the Disposal, a notice of the EGM and such other information required by the GEM Listing Rules.

THE AGREEMENT

Summarised below are the principal terms of the Agreement:

Date:	31 January 2011
Parties:	(1) Win Gain Investments Limited as the Purchaser (2) the Company as the vendor To the best of the directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules).
Assets to be sold:	the Sale Shares, being the entire issued share capital of Great Ready. Great Ready is a wholly-owned subsidiary of the Company.
Consideration:	HK$1,000,000, 50% being paid upon signing of the Agreement and the balance payable on Completion
Conditions precedent:	Completion shall be conditional upon, among others: (i) the approval by the Shareholders of the Company (other than those prohibited from voting under the GEM Listing Rules) in general meeting of the Disposal by the Company of the Sale Shares; (ii) if applicable, the obtaining of all consents from government or regulatory authorities which are necessary or desirable in connection with the execution and performance of the Agreement and any of the transactions contemplated under the Agreement; and (iii) the Company having complied fully with their obligations pursuant to the Agreement and under the GEM Listing Rules and/or Takeovers Code, if applicable.
Completion:	Completion shall take place at 4:00pm on the date that the above conditions have been fulfilled (or such other time, date and place as the Parties may agree in writing).

Basis of consideration

The consideration was determined after arms' length negotiations between the Purchaser and the Company, taking into account of (i) the unaudited consolidated net liabilities of the Disposal Group as at 31 December 2010; (ii) scale and size of the Disposal Group; (iii) the losses, as set out in the paragraph headed "Information on the Disposal Group" and the future prospects of the Disposal Group; and (iv) the other factors as set out in the paragraph headed "Reasons for and Benefits of the Disposal".

Having considered that the management can focus more on the mining business after the Disposal, and the Company will recognise a gain from the Disposal, the Directors consider that the Disposal is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

The proceeds from the Disposal, after deducting any related expenses, will be applied as general working capital of the Group for its existing businesses and for funding of investment as and when suitable opportunities arise.

Financial effect of the Disposal

Had the Disposal been completed on 31 December 2010, the Group will recognize a gain on disposal of the Disposal Group of approximately HK$3.3 million. The gain is computed based on the consideration of HK$1,000,000 and the aggregated unaudited consolidated net liabilities of the Disposal Group of approximately HK$2.3 million as at 31 December 2010.

Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix II to this Circular, the financial effects of the Disposal on the Group are as follows:

(a) as stated in Appendix II to this Circular, the Group's total assets would decrease by approximately HK$10 million from approximately HK$2,316 million to approximately HK$2,306 million and the Group's total liabilities would decrease by approximately HK$12 million from approximately HK$1,081 million to approximately HK$1,069 million as if the Disposal had been completed on 30 June 2010; and

(b) the Group's loss for the year ended 31 December 2009 would decrease by approximately HK$1.2 million from loss for the year of approximately HK$53.7 million to loss for the year of approximately HK$52.5 million which is calculated based on (i) the exclusion of the results of the Disposal Group for the year ended 31 December 2009 of approximately HK$1.0 million; and (ii) the inclusion of the estimated gain of approximately HK$0.2 million arising from the Disposal less estimated expenses for the Disposal as if the Disposal had been completed on 1 January 2009.

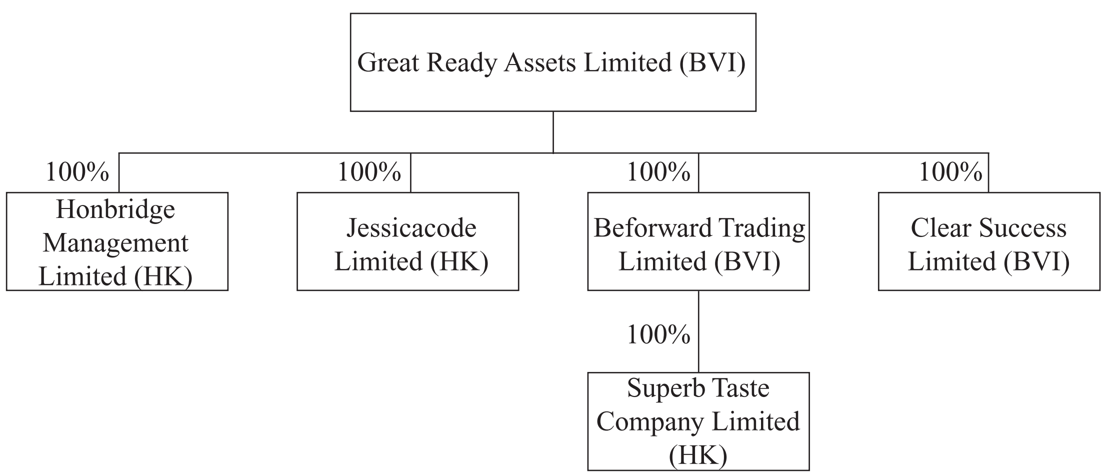
The unaudited pro forma financial information of the Remaining Group is for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, may not purport to represent the true picture of the financial position of the Group as at 30 June 2010 or at any future date had the Disposal been completed on 30 June 2010 or the financial results and cash flows of the Group for the year ended 31 December 2009 or for any future period had the Disposal been completed on 1 January 2009.

INFORMATION ON THE DISPOSAL GROUP

Overview

Great Ready is a wholly-owned subsidiary of the Company. The Disposal Group is principally engaged in the business of publications of the magazines "Jessicacode" and "Lisa 味道", both are published and sold in Hong Kong.

The Group structure of the Disposal Group is as follows:



Financial Information

The unaudited consolidated net loss (before and after taxation and extraordinary items) attributable to the Disposal Group for the year ended 31 December 2009 and 2010 was approximately HK$1.0 million and HK$1.6 million, respectively and the unaudited consolidated net liabilities of the Disposal Group as at 31 December 2010 was approximately HK$2.3 million.

Upon Completion, the Company will cease to hold any equity interest in Great Ready and Great Ready will cease to be the subsidiary of the Company.

INFORMATION ON THE COMPANY

The Company is an investment holding company with its shares listed on the GEM. The Company is principally engaging in mining activities, refining and trading of silicon and research and development of highly purified silicon for solar cells, magazine publishing and advertising activities.

INFORMATION ON THE PURCHASER

The Purchaser is an investment holding company incorporated in the British Virgin Islands and is wholly owned by Mr. Ng.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is principally engaging in mining activities, refining and trading of silicon and research and development of highly purified silicon for solar cells, magazine publishing and advertising activities.

The Group under the existing management plans to expand its business in the energy and resources sector and has been continuously looking for appropriate investment opportunities in this sector. To implement such strategy, the first move was the acquisition of Xianglan Brazil, a company engaged in the exploration of manganese resources in Brazil and also resources and mineral trading business, as disclosed in the circular dated 24 February 2010. Xianglan Brazil has already cooperated with Mexican enterprises and identified iron ore storage centre at the port, namely Manzanillo, in order to acquire high grade iron ores from surrounding iron mines, which will be further cracked and processed. After testing the grading, the products will be shipped to the steel and iron enterprises or iron ores trading companies, mainly in mainland China. Trial run of the above mentioned process will commence at the storage centre in the near future. Maximum processing capacity is up to 2 million tonnes per annum after the commencement of full operation. The Group is also seeking smaller scale iron ores leasing and mining sub-contract opportunities for the storage centre. The Company has considered the effect of the acquisition of Xianglan Brazil when performing the Disposal. The second step was the Acquisition as announced by the Company dated 16 April 2010 and detailed in the circular of the Company dated 5 November 2010 in relation to the development and mining activities of SAM. Further, the Company is actively identifying and looking for large steel conglomerates, mining companies and port operators, including the followings, to be involved in the further development of the Project:

(i) On 26 March 2010, the Company has entered into a strategic cooperation agreement with Xinwen in relation to the provision of technical support and financial resources to the Company and the investment in the Company.

(ii) On 16 June 2010 and 18 June 2010, SAM has entered into memorandum of understanding ("MOU") respectively with Minas Gerais and Bahia state governments in Brazil in relation to business cooperation. Under the MOU, the two state governments agreed to provide support and assistance to SAM during its implementation and operation, particularly with regard to the financing and licensing of the Project.

(iii) On 21 October 2010, the Group has announced that through its wholly owned subsidiary in Shanghai, a non-exclusive distributor of steel products in China has been appointed to distribute with amounts not exceeding RMB300 million, RMB2,000 million and RMB2,100 million for each of the financial years ending 31 December 2010, 2011 and 2012 respectively. The steel products to be distributed are sourced by the afore-mentioned subsidiary in Shanghai from some steel products producers and traders in China and other overseas markets, which are independent third parties of the Company. Given that the Project involved steel trading at a later stage after the commencement of mining production by entering into the such arrangement, the Group can broaden its experience in the steel sector by entering into such arrangement which will enable the Group to be more familiarized with the steel market and to establish an extensive connection with the steel production enterprises and therefore the Group will be benefited from the established steel products network of the distributor for the future development of the Project.

The Directors expect that the Acquisition will enlarge the business scope of the Company. The energy and resources sector, including the mining activities and silicon business, will be the Group's principal business in the near future. Although the Acquisition has not been completed as at the date of this Circular, the Company has been continuously taking necessary steps to fulfill the conditions contained in the Share Purchase Agreement in order to accomplish the completion of the Acquisition. As shown in various announcements dated 1 December 2010, 24 December 2010 and 17 January 2011 made by the Company in the recent months regarding the latest development of the Project, the Project has been making substantial progress and is within the original expected timetable as disclosed in the circular dated 5 November 2010. The intensive drilling program of the Project on Block 8 has already completed on 21 January 2011. A total of 459 drilling holes totaling 65,410 metres have been completed in Block 8. The resources quantity and resources category of Block 8 will be released after the technical adviser appointed by SAM, Golder Associates, updates the estimates. In this regard, the Directors are confident and optimistic on the potential of the Project and of the view that energy and resources sector will have higher earning potential. As such, the Directors consider that disposing the publication segment and retaining the energy and resources sector are in the interest of the Shareholders.

Besides, it is difficult for the existing management to manage effectively and efficiently two separate lines of businesses whose requirements for expertise, manpower, set up and control are distinctive of each other. In this regard, the Company decided to dispose of the business associated with magazine publishing and advertising activities. Comparing the scale of the energy and resources projects of the Group to the publication business and the expected long term yield generated from the energy and resources sector, the Group wishes to foster its resources in the energy and resources sector. The Disposal will enable the Group to focus on the energy and resources sector with better earning and growth potential. In addition, this enables the shareholders and investors of the Company to have a clearer picture on the Group's business strategy.

Although the Group will cease to have revenue generated from publication business with effect from Completion, the Group's silicon business stayed healthy and achieved significant growth in 2010. As disclosed in the published third quarterly report 2010 of the Company dated 8 November 2010, the Group's silicon business achieved a record high nine-month turnover of HK$33.0 million during the period, representing approximately 13.4 times the turnover of the same period in 2009. The high growth rate of the Company's silicon business indicated that there is a great demand for silicon products. Segment loss of the silicon business for the period was merely due to the fact that the Company has not yet reached the optimal scale of production. The Directors consider that the Company's silicon business is healthy and the silicon industry is of growth potential.

The Directors, including the independent non-executive Directors, consider that the terms of the Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

RISK FACTOR

Failure to manage our liquidity situation carefully may adversely affect our business

The Group began the business of mineral resources and exploration business since 2010 following the acquisition of Xianglan Brazil and SAM. A significant portion of revenue of the Group was generated by the Group's publishing business in the past, the mineral resources and exploration business is relatively new to our operations, of which we had little experience. There is no assurance that we can apply, or benefit from, our experience in silicon business when we develop or operate the mineral resources and exploration business. After completion of the Disposal, if we fail to generate sufficient cash from operations of both silicon and mineral resources and exploration business, our business, financial condition and results of operation may be adversely affected.

IMPLICATION UNDER THE LISTING RULES

The Disposal constitutes a very substantial disposal for the Company under Chapter 19 of the GEM Listing Rules. The Disposal is subject to the reporting, announcement, and Shareholders' approval at the EGM.

As at the date of this Circular, Mr. Ng and his associates, being the 100% owner of the Purchaser, is beneficially interested in 8,227 Shares, representing about 0.0001% of the total issued capital of the Company. As the Purchaser is wholly-owned by Mr. Ng, Mr. Ng is considered having a material interest in the Disposal and Mr. Ng and his associates shall abstain from voting on the resolution to approve the Disposal at the EGM. To the best knowledge and belief of the Directors, other than those disclosed above, none of the Purchaser, its ultimate beneficial owners and their respective associates are interested in any Shares as at the Latest Practicable Date.

EGM

The Company will convene the EGM at 2703, 27/F, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong on Friday, 18 March 2011, at 10:00 a.m. at which ordinary resolutions will be proposed for the purpose of considering and, if thought fit, to approve, among other matters (if any), the Agreement and the transactions contemplated thereunder.

A notice convening the EGM is set out on pages EGM-1 to EGM-2 of this Circular. The proxy form for use by the Shareholders at the EGM is enclosed with this Circular. Whether or not you are able to attend, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's share registrar, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment thereof should you so wish.

RECOMMENDATIONS

The Directors (including the independent non-executive Directors) are of the view that the Disposal and the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices of this Circular.

Yours faithfully,
On behalf of the Board
HONBRIDGE HOLDINGS LIMITED
LIU Wei, William
Director and Chief Executive Officer

I. FINANCIAL SUMMARY

Set out below are the unaudited consolidated statements of financial position of the Disposal Group as at 31 December 2008, 2009 and 2010 and the unaudited consolidated statements of comprehensive income, unaudited consolidated statements of changes in equity and unaudited consolidated statements of cash flows of the Disposal Group for each of the years ended 31 December 2008, 2009 and 2010 (the "Relevant Periods") (the "Financial Information"), which have been reviewed by the Company's auditors, BDO Limited, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

It is concluded that nothing has come to their attention that causes them to believe that the Financial Information of the Disposal Group is not prepared, in all material respects, in accordance with the accounting policies used in the preparation of the consolidated financial statements of the Group as set out in the annual report of the Company for the year ended 31 December 2009 and the unaudited interim report of the Company for the six months ended 30 June 2010.

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2008, 2009 AND 2010

	For the year ended 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*
Revenue	25,465	22,513	23,746
Direct operating expenses	(13,694)	(12,936)	(12,070)
Other operating revenue	91	178	101
Selling and distribution costs	(6,861)	(5,717)	(6,729)
Administrative expenses	(5,005)	(4,861)	(6,688)
Other operating income/(expenses)	47	(198)	–
Profit/(Loss) before income tax	43	(1,021)	(1,640)
Income tax expense	(4)	–	–
Profit/(Loss) for the year and total comprehensive income/(expense) for the year	39	(1,021)	(1,640)

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2008, 2009 AND 2010

	As at 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	325	259	172
	325	259	172
Current assets			
Trade receivables	5,039	4,957	4,604
Other receivables	1,180	787	1,904
Cash and cash equivalents	1,555	1,741	241
	7,774	7,485	6,749
Current liabilities			
Trade payables	4,234	4,687	4,812
Other payables and receipts in advance	3,531	3,744	4,436
	7,765	8,431	9,248
Net current assets/(liabilities)	9	(946)	(2,499)
Net assets/(liabilities)	334	(687)	(2,327)
EQUITY			
Share capital	–	–	–
Reserves	334	(687)	(2,327)
Total equity/(deficiency)	334	(687)	(2,327)

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2008, 2009 AND 2010

	Share capital	Share premium	Other reserve	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Unaudited for the year ended 31 December					
Balance at 1 January 2008	–	12,266	(326)	(11,645)	295
Profit for the year and total comprehensive income for the year	–	–	–	39	39
Balance at 31 December 2008 and 1 January 2009	–	12,266	(326)	(11,606)	334
Loss for the year and total comprehensive expense for the year	–	–	–	(1,021)	(1,021)
Balance at 31 December 2009 and 1 January 2010	–	12,266	(326)	(12,627)	(687)
Loss for the year and total comprehensive expense for the year	–	–	–	(1,640)	(1,640)
Balance at 31 December 2010	–	12,266	(326)	(14,267)	(2,327)

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2008, 2009 AND 2010

	For the year ended 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*
Cash flows from operating activities			
Profit/(Loss) before income tax	43	(1,021)	(1,640)
Adjustments for:			
Depreciation of property, plant and equipment	83	88	90
Loss on written off of property, plant and equipment	–	–	1
Interest income	(7)	–	–
Operating profit/(loss) before working capital changes	119	(933)	(1,549)
Decrease in trade receivables	374	82	353
(Increase)/Decrease in other receivables	(54)	393	(1,117)
(Decrease)/Increase in trade payables	(1,141)	453	125
(Decrease)/Increase in other payables and receipts in advance	(55)	213	692
Cash (used in)/generated from operations	(757)	208	(1,496)
Income tax paid	(4)	–	–
Net cash (used in)/generated from operating activities	(761)	208	(1,496)
Cash flows from investing activities			
Interest received	7	–	–
Purchase of property, plant and equipment	(112)	(22)	(4)
Net cash used in investing activities	(105)	(22)	(4)
Net (decrease)/increase in cash and cash equivalents	(866)	186	(1,500)
Cash and cash equivalents at 1 January	2,421	1,555	1,741
Cash and cash equivalents at 31 December	1,555	1,741	241

NOTES TO THE FINANCIAL INFORMATION
FOR THE YEARS ENDED 31 DECEMBER 2008, 2009 AND 2010

1. GENERAL

On 31 January 2011, the Company as the vendor and the Purchaser entered into the Agreement, pursuant to which, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares at a consideration of HK$1,000,000.

Upon the completion of the Disposal, Great Ready will cease to be the subsidiary of the Company.

2. BASIS OF PRESENTATION OF THE UNAUDITED FINANCIAL INFORMATION

The unaudited consolidated financial information of the Disposal Group has been prepared in accordance with paragraph 68(2)(a)(i) of Chapter 19 of the GEM Listing Rules, and solely for the purposes of inclusion in the circular to be issued by the Company in connection with the Disposal.

The amounts included in the unaudited consolidated financial information for each of the years ended 31 December 2008, 2009 and 2010 (the "Relevant Periods") have been prepared using the same accounting policies adopted by the Company in the preparation of its consolidated financial statements for the respective years in the Relevant Periods, which conform with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

The unaudited consolidated financial information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 "Presentation of Financial Statements".

The unaudited consolidated statements of comprehensive income, unaudited consolidated statements of cash flows and unaudited consolidated statements of changes in equity for the Relevant Periods include the results and cash flows of the Disposal Group for each of the years ended 31 December 2008, 2009 and 2010.

The unaudited consolidated statements of financial position as at 31 December 2008, 2009 and 2010 include the assets and liabilities of the Disposal Group as at these dates.

I. ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE REMAINING GROUP

The following is the full text of a report from the Company's reporting accountant, BDO Limited, Certified Public Accountants, Hong Kong for incorporation in this Circular:

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The Directors
Honbridge Holdings Limited
Suite 2703, 27/F
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23 Harbour Road
Wanchai, Hong Kong

23 February 2011

Dear Sirs

Accountants' report on the unaudited pro forma financial information of Honbridge Holdings Limited (the "Company")

We report on the unaudited pro forma financial information of the Company and its subsidiaries (collectively referred to as the "Remaining Group"), which has been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the proposed disposal of the Company's entire equity interests in Great Ready Assets Limited and its subsidiaries might have affected the financial information presented, for inclusion in Appendix II of the Company's circular dated 23 February 2011 (the "Circular"). The basis of preparation of the unaudited pro forma financial information is set out in the section headed "Unaudited pro forma financial information on the remaining group" in Appendix II to the Circular.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). It is our responsibility to form an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements (HKSIR) 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Our work did not constitute an audit or review made in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagements issued by the HKICPA, and accordingly, we did not express any such assurance on the unaudited pro forma financial information.

The unaudited pro forma financial information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and because of its hypothetical nature, does not give any assurance or indication that any event will take place in the future and may not be indicative of:

– the financial position of the Remaining Group as at 30 June 2010 or any future date had the Transaction been completed on 30 June 2010; or

– the results and cash flows of the Remaining Group for the year ended 31 December 2009 or any future periods had the Transaction been taken place on 1 January 2009.

Opinion

In our opinion:

a. the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;

b. such basis is consistent with the accounting policies of the Group; and

c. the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully
BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

Lo Ngai Hang
Practising Certificate number: P04743

II. THE UNAUDITED PRO FORMA INFORMATION

1. Unaudited pro forma consolidated statement of financial position of the Remaining Group

(A) Introduction

The unaudited pro forma consolidated statement of financial position of the Remaining Group has been prepared to illustrate the effect of the very substantial disposal of the Group's entire equity interest in Great Ready. On 31 January 2011, the Company as the vendor and the Purchaser entered into the Agreement, pursuant to which, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares at a consideration of HK$1,000,000 (the "Disposal").

The unaudited pro forma consolidated statement of financial position of the Remaining Group has been prepared in accordance with Rule 7.31 of the GEM Listing Rules for the purposes of illustrating the effect of the Disposal as if the Disposal took place on 30 June 2010.

The unaudited pro forma consolidated statement of financial position of the Remaining Group is based upon the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2010, which has been extracted from the interim financial information of the Group for the six months ended 30 June 2010 (the "Interim Report"), after making pro forma adjustments relating to the Disposal that are (i) directly attributable to the Disposal; and (ii) factually supportable.

The unaudited pro forma consolidated statement of financial position of the Remaining Group is based on a number of assumptions, estimates and uncertainties. Accordingly, the accompanying unaudited pro forma consolidated statement of financial position of the Remaining Group does not purport to describe the actual financial position of the Remaining Group that would have been attained had the Disposal been completed on 30 June 2010. The unaudited pro forma consolidated statement of financial position of the Remaining Group does not purport to predict the future financial position of the Remaining Group.

The unaudited pro forma consolidated statement of financial position of the Remaining Group should be read in conjunction with the historical information of the Group as set out in the Interim Report and other financial information included elsewhere in this Circular.

The statement has been prepared by the Directors for illustrative purposes only and because of its nature, it may not give a true picture of financial position of the Remaining Group following completion of the Disposal.

(B) Unaudited pro forma consolidated statement of financial position

	Consolidated statement of financial position of the Group as at 30 June 2010	Pro forma adjustments			Pro forma consolidated statement of financial position of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	*(Note 1)*	*(Note 2)*	*(Note 3)*	*(Unaudited)*
Assets and liabilities					
Non-current assets					
Property, plant and equipment	34,127	(218)			33,909
Exploration and evaluation assets	1,969,118				1,969,118
Prepaid land lease payments	20,843				20,843
Goodwill	34,140				34,140
	2,058,228				2,058,010
Current assets					
Inventories	7,858				7,858
Trade and bills receivables	5,732	(5,180)			552
Prepayments and other receivables	18,456	(4,565)			13,891
Advances to an acquiring business	124,112				124,112
Financial assets at fair value through profit or loss	73,233				73,233
Cash and cash equivalents	28,033	(367)	1,000	(500)	28,166
	257,424				247,812
Current liabilities					
Trade payables	8,356	(6,022)			2,334
Other payables, accrued expenses and receipts in advance	25,635	(5,395)			20,240
Borrowings	13,174				13,174
	47,165				35,748
Net current assets	210,259				212,064
Total assets less current liabilities	2,268,487				2,270,074

	Consolidated statement of financial position of the Group as at 30 June 2010	Pro forma adjustments			Pro forma consolidated statement of financial position of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	*(Note 1)*	*(Note 2)*	*(Note 3)*	*(Unaudited)*
Non-current liabilities					
Loans from ultimate holding company	183,875				183,875
Loan from a minority equity holder of a subsidiary	5,933				5,933
Convertible bonds	173,336				173,336
Deferred tax liabilities	670,193				670,193
	1,033,337				1,033,337
Net assets	1,235,150				1,236,737
Equity					
Equity attributable to equity holders of the Company					
Share capital	6,114				6,114
Reserves	765,782	1,087	1,000	(500)	767,369
	771,896				773,483
Minority interest	463,254				463,254
Total equity	1,235,150				1,236,737

Notes:

1. The adjustment represents the exclusion of the assets and liabilities of the Disposal Group as at 30 June 2010, which are extracted from the unaudited consolidated statement of financial position of the Disposal Group as at 30 June 2010, as if the Transaction had been completed on 30 June 2010.

2. The adjustment reflects the Consideration arising on the Transaction of HK$1,000,000.

3. The adjustment reflects the estimated expenses of the Transaction.

2. Unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group

(A) Introduction

The unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group have been prepared to illustrate the effect of the Disposal.

The unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group have been prepared in accordance with Rule 7.31 of the GEM Listing Rules for the purposes of illustrating the effect of the Disposal as if the Disposal took place on 1 January 2009.

The unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group are based upon the audited consolidated statement of comprehensive income and audited consolidated statement of cash flows of the Group for the year ended 31 December 2009, which has been extracted from the published annual report of the Group for the year ended 31 December 2009 (the "Annual Report"), after making pro forma adjustments relating to the Disposal that are (i) directly attributable to the Disposal; and (ii) factually supportable.

The unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group are based on a number of assumptions, estimates and uncertainties. Accordingly, the accompanying unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group do not purport to describe the actual results and cash flows of the Remaining Group that would have been attained had the Disposal been completed on 1 January 2009 or to predict the future results and cash flows of the Remaining Group.

The unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group should be read in conjunction with the historical information of the Group as set out in the Annual Report and other financial information included elsewhere in this Circular.

The statement has been prepared by the Directors for illustrative purposes only and because of its nature, it may not give a true picture of the results and cash flows of the Remaining Group following completion of the Disposal.

(B) Unaudited pro forma consolidated statement of comprehensive income

	Consolidated statement of comprehensive income of the Group for the year ended 31 December 2009	Pro forma adjustments		Pro forma consolidated statement of comprehensive income of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Audited)	*(Note 4)*	*(Note 5)*	*(Unaudited)*
Revenue	32,592	(22,513)		10,079
Direct operating expenses	(20,567)	12,936		(7,631)
Other operating revenue	342	(178)		164
Selling and distribution costs	(5,904)	5,717		(187)
Administrative expenses	(17,270)	4,861		(12,409)
Other operating expenses	(3,309)	198	166	(2,945)
Impairment of goodwill	(35,686)			(35,686)
Operating loss	(49,802)			(48,615)
Finance costs	(3,918)			(3,918)
Loss before income tax	(53,720)			(52,533)
Income tax expense	–			–
Loss for the year	(53,720)			(52,533)
Other comprehensive income, including reclassification adjustments				
Exchange loss on translation of financial statements of foreign operations	(4)			(4)
Total comprehensive expense for the year	(53,724)			(52,537)

(C) Unaudited pro forma consolidated statement of cash flows

	Consolidated statement of cash flows of the Group for the year ended 31 December 2009	Pro forma adjustments		Pro forma consolidated statement of cash flows of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Audited)	*(Note 6)*	*(Note 7)*	*(Unaudited)*
Cash flows from operating activities				
Loss before income tax	(53,720)	1,021	166	(52,533)
Adjustments for:				
Depreciation of property, plant and equipment	2,730	(88)		2,642
Amortisation of prepaid land lease payments	445			445
Reversal of impairment of inventories	(810)			(810)
Impairment of goodwill	35,686			35,686
Interest income	(125)			(125)
Interest expense on other loans	1,011			1,011
Interest expense on convertible bonds	699			699
Interest expense on loans from ultimate holding company	2,149			2,149
Interest expenses on loan from a minority equity holder of a subsidiary	59			59
Gain on disposal of the Disposal Group	–		(666)	(666)
Operating loss before working capital changes	(11,876)			(11,443)
Decrease in inventories	8,855			8,855
Increase in trade and bills receivables	(977)	(82)		(1,059)
Increase in prepayments and other receivables	(1,370)	(393)		(1,763)
Increase in trade payables	1,035	(453)		582
Decrease in other payables, accrued expenses and receipts in advance	(443)	(213)		(656)

	Consolidated statement of cash flows of the Group for the year ended 31 December 2009	Pro forma adjustments		Pro forma consolidated statement of cash flows of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Audited)	*(Note 6)*	*(Note 7)*	*(Unaudited)*
Cash used in operations	(4,776)			(5,484)
Interest paid on other loans	(1,011)			(1,011)
Net cash used in operating activities	(5,787)			(6,495)
Cash flows from investing activities				
Interest received	125			125
Purchase of property, plant and equipment	(5,190)	22		(5,168)
Deposits paid for acquisition of property, plant and equipment	(407)			(407)
Disposal of the Disposal Group (net of cash and cash equivalents disposed)	–		(555)	(555)
Net cash used in investing activities	(5,472)			(6,005)
Cash flows from financing activities				
Drawdown of borrowings	5,670			5,670
Drawdown of loans from ultimate holding company	4,000			4,000
Drawdown of loan from a minority equity holder of a subsidiary	6,800			6,800
Repayment of borrowings	(9,747)			(9,747)
Net cash generated from financing activities	6,723			6,723

	Consolidated statement of cash flows of the Group for the year ended 31 December 2009	Pro forma adjustments		Pro forma consolidated statement of cash flows of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Audited)	*(Note 6)*	*(Note 7)*	*(Unaudited)*
Net decrease in cash and cash equivalents	(4,536)			(5,777)
Cash and cash equivalents at 1 January	20,776			20,776
Effect of foreign exchange rate changes	–			–
Cash and cash equivalents at 31 December	16,240			14,999

Notes:

4. The adjustment reflects the de-consolidation of the results of the Disposal Group for the year ended 31 December 2009, assuming the Transaction had been completed on 1 January 2009. This adjustment is not expected to have a continuing effect on the Remaining Group.

5. The adjustment reflects the gain on the Transaction of approximately HK$666,000 which is calculated based on the cash consideration of HK$1,000,000 and the unaudited consolidated net assets attributable to the Disposal Group as at 1 January 2009 of approximately HK$334,000; and the estimated expenses in connection with the Transaction of approximately HK$500,000 (per note 3 above). This adjustment is not expected to have a continuing effect on the Remaining Group.

6. The adjustment reflects the exclusion of the cash flows of the Disposal Group for the year ended 31 December 2009, assuming the Transaction had taken place on 1 January 2009. This adjustment is not expected to have a continuing effect on the Remaining Group.

7. The adjustment reflects the gain on the Transaction less the estimated expenses in connection with the Transaction of approximately HK$500,000 and the cash consideration arising on the Transaction (net of cash and cash equivalent disposed of approximately HK$1,555,000). This adjustment is not expected to have a continuing effect on the Remaining Group.

I. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION OF THE REMAINING GROUP

For the six months ended 30 June 2010

Liquidity and financial resources

During the six months ended 30 June 2010, the Remaining Group's operation was mainly financed by the internal financial resources and the substantial shareholder of the Group.

As at 30 June 2010, the Remaining Group recorded net current assets of approximately HK$211.6 million. The cash and bank balances were approximately HK$27.7 million.

As at 30 June 2010, the Remaining Group had net assets of approximately HK$1,236.2 million. The Remaining Group's total borrowings of approximately HK$203.0 million, of which approximately HK$13.2 million equivalent were denominated in RMB and the remaining were denominated in HKD, bearing interest rate in the range of 0% to 6.9% per annum. The gearing ratio of the Remaining Group which is measured by total loans and borrowings to total equity was approximately 16.4%.

Significant investments held

Save as disclosed herein this section, for the six months ended 30 June 2010, the Remaining Group had no significant investment held.

Material acquisitions

On 7 November 2009, the Company entered into an equity transfer agreement with Brilliant People Limited and Shandong Zhi Xiang Trading Limited to acquire a 66% equity interest of Xianglan Brazil. Xianglan Brazil is a company incorporated in Brazil and its principal activity is the identification and exploration of mineral resources and it holds three exploration licenses in the Bahia State of Brazil. On 15 March 2010, a unanimous resolution was passed by the shareholders of the Company in an extraordinary general meeting to approve the acquisition on Xianglan Brazil. On 23 March 2010, all conditions precedents to the equity transfer agreement to acquire Xianglan Brazil have been fulfilled and on 24 March 2010, the Group completed the acquisition of Xianglan Brazil. Xianglan Brazil is a major stepping stone to the Group in entering the South America mining market. Its principal business will be positioned as risk exploration of elementary mines, trading of exploration licenses, exploitation, beneficiation, mineral processing and mineral trading.

On 5 March 2010, the Company entered into a legally binding definitive agreement with VNN and its subsidiaries in which the Group will acquire 100% interest of SAM for USD390 million.

SAM is a limited company incorporated in the Federative Republic of Brazil ("Brazil") holding approximately 83 exploration licenses that are mainly iron ores.

SAM plans to construct a processing plant and related infrastructure facilities with carrying capacity of 25 million tonnes of 65% iron pellet feed per year.

As at 30 June 2010, the acquisition of SAM has not been completed. For details and latest development of the acquisition, please refer to the circular of the Company dated 5 November 2010 and relevant announcements of the Company.

Segmental information

For the six months ended 30 June 2010, based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation and review of performance, the Remaining Group has identified two reportable segments, namely the mineral resources exploration and the silicon production.

As at 30 June 2010, the mineral resources exploration segment had reportable segment assets and reportable segment liabilities of approximately HK$1,986.9 million and HK$669.8 million respectively. No reportable segment revenue was recorded for the six months ended 30 June 2010 for the mineral resources exploration and its reportable segment loss for the period was approximately HK$1.8 million.

As at 30 June 2010, the silicon production segment had reportable segment assets and reportable segment liabilities of approximately HK$80.2 million and HK$ 40.9 million respectively. Reportable segment revenue for the six months ended 30 June 2010 of approximately HK$23.7 million was recorded for the silicon production segment and its reportable segment loss for the period was approximately HK$3.0 million.

Employees and remuneration policies

The Remaining Group had a total of 173 employees as at 30 June 2010. The staff cost (including the Directors' emoluments) for the Remaining Group for the six months ended 30 June 2010 amounted to HK$10.3 million. In addition to salary, other fringe benefits such as medical subsidies, life insurance, provident fund and subsidised training programs are offered to all employees of the Remaining Group. Performance of the employees is normally reviewed on an annual basis with adjustment compatible to the market. Individual employees may also receive a discretionary bonus at the end of each year based on performance. Share options have also been granted to certain employees of the Remaining Group.

Charges on group assets

As at 30 June 2010, the Remaining Group did not have fixed assets and current assets which were pledged.

Future plans for material investments or capital assets

Save as disclosed above, as at 30 June 2010, the Group did not have any significant investment plans.

Exposure to fluctuations in exchange rates and related hedges

During the six months ended 30 June 2010, the Remaining Group had no significant exposure to fluctuations in exchange rates and any related hedges.

Commitments and contingent liabilities

As at 30 June 2010, the Remaining Group had no material commitment or contingent liabilities.

For the year ended 31 December 2009

Liquidity and financial resources

During the year ended 31 December 2009, the Remaining Group's operation was mainly financed by the internal financial resources of the Group and the loan from the ultimate holding company.

As at 31 December 2009, the Remaining Group recorded net current liabilities of approximately HK$4.0 million. The cash and bank balances were approximately HK$14.5 million.

As at 31 December 2009, the Remaining Group had net liabilities of approximately HK$6.2 million. The Remaining Group's total borrowings of approximately HK$69.9 million, of which approximately HK$14.4 million equivalent were denominated in RMB and the remaining were denominated in HKD, bearing interest rate in the range of 0% to 6.9% per annum. The gearing ratio of the Remaining Group was not applicable as the Remaining Group had a negative total equity.

Significant investments held

For the year ended 31 December 2009, the Remaining Group had no significant investment held.

Material acquisitions

The acquisition pursuant to an equity transfer agreement dated 7 November 2009 entered into between the Company and Brilliant People Limited and Shandong Zhi Zhang Trading Limited to acquire a 66% equity interest of Xianglan Brazil, a company incorporated in Brazil and engaged in the exploration of magnesium resources in Brazil, details of which have been disclosed in a circular of the Company on 24 February 2010. Such acquisition was subsequently completed on 24 March 2010.

On 17 November 2009, the Company entered into a Memorandum of Understanding with VNN to acquire 100% of the equity interest of SAM, a company incorporated in Brazil and engaged in the exploration of iron resources in Brazil (the "SAM MOU"). Details of the SAM MOU have been disclosed in the Company's announcements on 18 November 2009, 18 December 2009, 29 January 2010, 3 March 2010 and 16 April 2010.

Segmental information

For the year ended 31 December 2009, the Remaining Group achieved a turnover of HK$10.1 million, representing a 66% decrease compared to 2008. The loss for the year for the Remaining Group was increased to HK$52.7 million, which was mainly due to the full impairment on goodwill of HK$35.7 million in 2009.

Employees and remuneration policies

The Remaining Group had a total of 139 employees as at 31 December 2009. The staff cost (including the Directors' emoluments) for the Remaining Group for the year ended 31 December 2009 amounted to HK$4.2 million. In addition to salary, other fringe benefits such as medical subsidies, life insurance, provident fund and subsidised training programs are offered to all employees of the Remaining Group. Performance of the employees is normally reviewed on an annual basis with adjustment compatible to the market. Individual employees may also receive a discretionary bonus at the end of each year based on performance. Share options have also been granted to certain employees of the Remaining Group.

Charges on group assets

As at 31 December 2009, the Remaining Group did not have fixed assets and current assets which were pledged.

Future plans for material investments or capital assets

Save as disclosed above, as at 31 December 2009, the Group did not have any significant investment plans.

Exposure to fluctuations in exchange rates and related hedges

During the year ended 31 December 2009, the Remaining Group had no significant exposure to fluctuations in exchange rates and any related hedges.

Commitments and contingent liabilities

As at 31 December 2009, the Remaining Group had no material commitment or contingent liabilities.

For the year ended 31 December 2008

Liquidity and financial resources

During the year ended 31 December 2008, the Remaining Group's operation was mainly financed by the internal financial resources of the Group.

As at 31 December 2008, the Remaining Group recorded net current liabilities of approximately HK$11.9 million. The cash and bank balances were approximately HK$19.2 million.

As at 31 December 2008, the Remaining Group had net assets of approximately HK$30.5 million. The Remaining Group's total borrowings of approximately HK$62.3 million, of which HK$19.0 million equivalent were denominated in RMB and the remaining were denominated in HKD, bearing interest rate in the range of 0% to 8.0% per annum. The gearing ratio of the Remaining Group which is measured by total loans and borrowings to total equity was approximately 204%.

Material acquisitions

On 20 May 2008, an unanimous ordinary resolution was passed at an extraordinary general meeting of the Company to acquire a 60% equity interest in Divine Mission Holdings Limited ("Divine Mission"). Divine Mission is a company incorporated in British Virgin Islands holding 100% equity interests of ("Kailun PV (Jining)"). Kailun PV (Jining) is a wholly foreign owned enterprise established in Jining, Shandong, the PRC and is engaged in the production and sale of highly purified silicon and research and development in the production of solar graded silicon. Details of the acquisition have been disclosed in the circular of the Company dated 2 May 2008.

Significant investments held

For the year ended 31 December 2008, the Remaining Group had no significant investment held.

Segmental information

The Group has transformed its major business from the publication of magazines to the production and sale of silicon products during the year ended 31 December 2008.

For the year ended 31 December 2008, the Remaining Group recorded a turnover of HK$29.6 million for its first year of operation. The loss for the year for the Remaining Group was HK$20.0 million.

Employees and remuneration policies

The Remaining Group had a total of 149 employees as at 31 December 2008. The staff cost (including the Directors' emoluments) for the Remaining Group for the year ended 31 December 2008 amounted to HK$8.8 million. In addition to salary, other fringe benefits such as medical subsidies, life insurance, provident fund and subsidised training programs are offered to all employees of the Remaining Group. Performance of the employees is normally reviewed on an annual basis with adjustment compatible to the market. Individual employees may also receive a discretionary bonus at the end of each year based on performance. Share options have also been granted to certain employees of the Remaining Group.

Charges on group assets

As at 31 December 2008, the Remaining Group did not have fixed assets and current assets which were pledged.

Future plans for material investments or capital assets

Save as disclosed above, as at 31 December 2008, the Group did not have any significant investment plans.

Exposure to fluctuations in exchange rates and related hedges

During the year ended 31 December 2008, the Remaining Group had no significant exposure to fluctuations in exchange rates and any related hedges.

Commitments and contingent liabilities

As at 31 December 2008, the Remaining Group had no material commitment or contingent liabilities.

For the year ended 31 December 2007

Liquidity and financial resources

During the year ended 31 December 2007, the Remaining Group's operation was mainly financed by the internal financial resources of the Group.

As at 31 December 2007, the Remaining Group recorded net current assets of approximately HK$31.1 million. The cash and bank balances were approximately HK$31.3 million.

As at 31 December 2007, the Remaining Group had net assets of approximately HK$18.9 million. The Remaining Group had no borrowings as at 31 December 2007. The gearing ratio of the Remaining Group which is measured by total loans and borrowings to total equity was 0%.

Material acquisitions

During the year ended 31 December 2007, the Remaining Group did not have any material acquisitions.

Significant investments held

For the year ended 31 December 2007, the Remaining Group had no significant investment held.

Segmental information

The principal activity of the Remaining Group was investment holding during the year ended 31 December 2007.

For the year ended 31 December 2007, the Remaining Group recorded a turnover of HK$36,082. The loss for the year for the Remaining Group was HK$2.8 million.

Employees and remuneration policies

The Remaining Group had a total of 9 employees as at 31 December 2007. The staff cost (including the Directors' emoluments) for the Remaining Group for the year ended 31 December 2007 amounted to HK$1.6 million. In addition to salary, other fringe benefits such as medical subsidies, life insurance, provident fund and subsidized training programs are offered to all employees of the Remaining Group. Performance of the employees is normally reviewed on an annual basis with adjustment compatible to the market. Individual employees may also receive a discretionary bonus at the end of each year based on performance. Share options have also been granted to certain employees of the Remaining Group.

Charges on group assets

As at 31 December 2007, the Remaining Group did not have fixed assets and current assets which were pledged.

Future plans for material investments or capital assets

Save as disclosed above, as at 31 December 2007, the Group did not have any significant investment plans.

Exposure to fluctuations in exchange rates and related hedges

During the year ended 31 December 2007, the Remaining Group had no significant exposure to fluctuations in exchange rates and any related hedges.

Commitments and contingent liabilities

As at 31 December 2007, the Remaining Group had no material commitment or contingent liabilities.

II. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaging in mining activities, refining and trading of silicon and research and development of highly purified silicon for solar cells, magazine publishing and advertising activities. After the Completion, the energy and resources sector including the mining activities and refining and trading of silicon and research and development of highly purified silicon for solar cells would become the remaining business of the Group.

The Remaining Group under the existing management plans to expand its business in the energy and resources sector and has been continuously looking for appropriate investment opportunities in this sector. To implement such strategy, the first move was the acquisition of Xianglan Brazil, a company engaged in the exploration of manganese resources in Brazil and also resources and mineral trading business, as disclosed in the circular dated 24 February 2010. The directors of the Company consider that the exploration of manganese resources business is a relatively long term investment that will take at least two to three years for Xianglan Brazil to generate income from exploration as it requires substantial investments. The Group therefore decided to concentrate on the mineral resources (including iron and manganese) processing and trading business. The exploration licenses of Xianglan Brazil, details of which have been disclosed in a circular of the Company dated 24 February 2010, have been extended to 23 March 2013. Xianglan Brazil recorded a loss of approximately HK$3.7 million for the year ended 31 December 2010 after the completion of the acquisition of 66% equity interest by the Company. Xianglan Brazil has already cooperated with Mexican enterprises and identified iron ore storage centre at the port, namely Manzanillo, in order to acquire high grade iron ores from surrounding iron mines, which will be further cracked and processed. After testing the grading, the products will be shipped to the steel and iron enterprises or iron ores trading companies. Trial run of the above mentioned process will commence at the storage centre in the near future. Maximum processing capacity is up to 2 million tonnes per annum after the commencement of full operation. The Group is also seeking smaller scale iron ores leasing and mining sub-contract opportunities for the storage centre. Xianglan Brazil has set up a 95% owned subsidiary (“Xianglan Mexico”) with a domestic company in Mexico. The land and machinery of the storage centre in Mexico are provided by the domestic company who owns the remaining 5% of Xianglan Mexico. Xianglan Mexico is set up to source suitable mineral resources including iron ores and manganese ores from South American countries (mainly Mexico) for the export to China. The personnel of Xianglan Brazil are responsible for the on-site management and supervision of the storage centre in Mexico. Xianglan Brazil has also set up a wholly owned subsidiary in Uruguay (“Xianglan Uruguay”) to act as a representative office in Uruguay to source mineral resources including iron ores and manganese ores from South American countries (mainly Uruguay) for the export to China. Xianglan Mexico has already entered into a binding contract with a state owned enterprise in China to ship manganese ores from Mexico to Tianjin, China. Xianglan Uruguay has already entered into a binding contract with an iron ores trading company to ship iron ores from Mexico to Qingdao, China.

The second step was the Acquisition as announced by the Company dated 16 April 2010 and detailed in the circular of the Company dated 5 November 2010 in relation to the development and mining activities of SAM. Further, the Company is actively identifying and looking for large steel conglomerates, mining companies and port operators to be involved in the further development of the Project.

The Directors expect that the Acquisition will enlarge the business scope of the Company. Although the Acquisition has not been completed as at the date of this Circular, the Company has been continuously taking necessary steps to fulfill the conditions contained in the Share Purchase Agreement in order to accomplish the completion of the Acquisition. As shown in various announcements dated 1 December 2010, 24 December 2010 and 17 January 2011 made by the Company in the recent months regarding the latest development of the Project, the Project has been making substantial progress and is within the original expected timetable as disclosed in the circular dated 5 November 2010. The intensive drilling program of SAM Iron Mine Project on Block 8 has already completed on 21 January 2011. A total of 459 drilling holes totaling 65,410 metres have been completed in Block 8. The resources quantity and resources category of Block 8 will be released after the technical adviser appointed by SAM, Golder Associates, updates the estimates. In this regard, the Directors are confident and optimistic on the potential of the Project and of the view that energy and resources sector will have higher earning potential.

After the Disposal of the publication business, the Remaining Group will continue its silicon business which stayed healthy and achieved significant growth in 2010. As disclosed in the published third quarterly report 2010 of the Company dated 8 November 2010, the Group's silicon business achieved a record high nine-month turnover of HK$33.0 million during the period, representing approximately 13.4 times the turnover of the same period in 2009. The high growth rate of the Company's silicon business indicated that there is a great demand for silicon products. Segment loss of the silicon business for the period was merely due to the fact that the Company has not yet reached the optimal scale of production. The Directors consider that the Company's silicon business is healthy and the silicon industry is of growth potential.

III. STATEMENT OF INDEBTEDNESS

As at close of business on 31 December 2010, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Circular, other than convertible notes of the Group with principal amount of HK$400.0 million, the Group had outstanding borrowings, of approximately HK$323.1 million which comprised unsecured and guaranteed bank borrowings of approximately HK$5.9 million, unsecured government loan of approximately HK$2.5 million, other unsecured loans of approximately HK$9.9 million and unsecured loans from ultimate holding company with principal amount of HK$304.8 million, and the Group had a bank guarantee of approximately HK$3.5 million.

As at close of business on 31 December 2010, the Group had outstanding zero coupon convertible notes with principal amount of HK$400.0 million and initial conversion price of HK$1.00 per conversion share of the Company.

Save as aforesaid and apart from intra-group liabilities and normal trade payables, the Group did not have any mortgages, charges or debentures, loan capital, bank overdrafts, loans or other similar indebtedness or any hire purchase commitments, liabilities under acceptance or acceptable credits or any guarantees or other contingent liabilities as at 31 December 2010. Foreign currency amounts have been translated at the approximate exchange rates prevailing at the close of business on 31 December 2010.

IV. SUFFICIENCY OF WORKING CAPITAL

Except for obtaining the US$65 million financing for the consideration to be paid on the Closing Date, after taking into account the existing bank loans, other loans, government loans, undertaking provided by Mr. He confirm that he will render adequate financial support to the Group enabling it to continue as a going concern and Mr. He, as sole owner of Hong Bridge, do not intend to demand repayment of HK$327,800,000 due to Hong Bridge from the Company at the Latest Practicable Date until such time when any repayment to Hong Bridge will not affect the Group's ability to repay other creditors, with at least 12 months from the date of this Circular, the existing shareholder's loan and internal resources available to the Group and taking into account the effect of this transaction, the Directors of the Company are of the opinion that the Group has sufficient working capital for its present requirements and for at least the next 12 months from the Latest Practicable Date in the absence of unforeseeable circumstances. Financing of the US$65 million for the consideration to be paid on the Closing Date is yet to be confirmed and hence cannot be confirmed in writing. The reporting accountant has issued an emphasis of matter on material uncertainty regarding the working capital sufficiency. It is expected that the financing of the US$65 million for the consideration may be satisfied by the following fund raising plans:

1) By way of bank borrowings of the Company and SAM as the case may be;

2) By entering into prepayment arrangement with PRC steel conglomerates that (likely to be State Owned Enterprises) require iron ore as raw materials. The Company expects that under such arrangement, the steel conglomerates will provide the Company with a prepayment amount for future delivery of iron pellet feed to the steel conglomerates;

3) By outsourcing of certain production process to other parties such as mining companies and port operators and obtain funding via their investment to the Project. It is expected that the parties will provide funding (by way of debt and/or equity financing) to the Project in order to secure the outsourcing contracts;

4) By introduction of strategic investor for the Project; and

5) By share placement of the Company.

In order to obtain the US$65 million financing for the consideration to be paid on the Closing Date, the Company is actively identifying and looking for steel conglomerates, mining companies and port operators to be involved in the further development of the Project and fund raising activities. Other than interest-free shareholders' loan to the Company by Mr. He, the strategic cooperation agreement with Xinwen and the joint investment memorandum of understanding with SDIS as disclosed in the circular dated

5 November 2010, the Company has not made any concrete agreement, arrangement, understanding and negotiation in relation to additional shareholders' loan, bank borrowing, equity fund raising and/or debt financing.

I. RESPONSIBILITY STATEMENT

This Circular, for which the Directors 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, the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Circular misleading.

II. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange were as follows:

Long positions in the ordinary shares of HK$0.001 each in the share capital of the Company

	Number of Shares in the Company					Approximate
Name of Director	Beneficial owner	Interest of spouse	Interests of controlled corporation	Number of share option *(Note 2)*	Total	Percentage of Shareholding (%)
He Xuechu	–	21,816,000	4,095,000,000 *(Note1)*	–	4,116,816,000	67.20
LIU Wei, William	–	–	–	40,000,000	40,000,000	0.65
SHI Lixin	–	–	–	30,000,000	30,000,000	0.49
YAN Weimin	–	–	–	30,000,000	30,000,000	0.49
ANG Siu Lun, Lawrence	–	–	–	15,000,000	15,000,000	0.24
CHAN Chun Wai, Tony	–	–	–	3,000,000	3,000,000	0.05
FOK Hon	–	–	–	3,000,000	3,000,000	0.05
MA Gang	–	–	–	3,000,000	3,000,000	0.05

Notes:

1. The 4,095,000,000 shares were held by Hong Bridge Capital Limited ("Hong Bridge"). Hong Bridge is wholly owned by Mr. HE Xuechu.

2. This refers to the number of underlying shares of the Company covered by its share option scheme as at the date of this Circular.

Save as disclosed above and the interests as disclosed below, none of the Directors or chief executives of the Company had, as at the Latest Practicable Date, any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

III. INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF OTHER PERSONS

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, those persons, other than the Directors or chief executive of the Company, who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Remaining Group and the amount of each such person's interest in such securities, together with particulars of any options in respect of such capital or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

Long positions in the ordinary shares of HK$0.001 each in the share capital of the Company

	Number of Shares in the Company				Approximate percentage of shareholding
Name of Shareholder	Beneficial owner	Interest of spouse	Interests of controlled corporation	Total number of shares held	(%)
Hong Bridge	4,095,000,000 *(Note 1)*	–	–	4,095,000,000	66.85
HE Yuechu *(Note 2)*	–	21,816,000	4,095,000,000 *(Note 1)*	4,116,816,000	67.20
FOO Yatyan *(Note 2)*	21,816,000	4,095,000,000	–	4,116,816,000	67.20
Brilliant People Limited	1,000,000,000 *(Note 3)*	–	–	1,000,000,000	16.32
Xin Wen Mining Group Company Limited	300,000,000 *(Note 4)*	–	10,000,000	310,000,000	5.06

Notes:

1. The 4,095,000,000 shares were held by Hong Bridge. Hong Bridge is wholly owned by Mr. HE Xuechu.

2. Ms. FOO Yatyan is the spouse of Mr. HE Xuechu.

3. The 1,000,000,000 shares held by Brilliant People Limited represent 600,000,000 shares of the Company and HK$400,000,000 convertible notes with an initial conversion price of HK$1.0 per conversion share of the Company.

4. The 300,000,000 shares held by Xin Wen Mining Group Company Limited represent 300,000,000 share options with exercise price of HK$3.15 per share of the Company.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any other persons (other than the Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

IV. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into a service contract or had an unexpired service contract with any member of the Group, which is not determinable by any member of the Group within one year without payment of compensation other than statutory compensation.

V. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation, arbitration or claim of material important known by the Directors to be pending or threatened against any member of the Group.

VI. MATERIAL ADVERSE CHANGE

There were no material adverse changes in the financial or trading position or outlook of the Group since 31 December 2009, the date to which the latest published audited financial statements of the Group were made up.

VII. COMPETING INTEREST

Mr. Fok Hon, an independent non-executive Director of the Company, is also the executive director of All Leaders Publication Group Limited. Since All Leaders Publication Group Limited is engaged in the media and publication business. Mr. Fok is regarded as interested in such competing business of the Group.

As disclosed in the announcement dated 21 October 2010 and the circular dated 5 November 2010, Mr. Yan Wei Min ("Mr. Yan"), a non-executive Director, is a shareholder holding 70% equity interests of Yingyue, a company incorporated in the PRC. Yingyue is principally engaged in the provision of raw materials for construction (including steel products) in the PRC. Hongying Trading, an indirect wholly-owned subsidiary of the Company, is principally engaged in the sourcing of steel and steel products in the PRC. Hongying Trading has entered into the Distribution Agreement with Yingyue, and Yingyue has became a non-exclusive distributor of the Steel Products sourced by Hongying Trading. Accordingly, Mr. Yan is regarded as interested in such competing business of the Group by virtue of his interest in Yingyue.

Save for disclosed above, as at the Latest Practicable Date, none of the Directors or any of their respective associates had any business or interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

VIII. MATERIAL CONTRACTS

The following contracts (not being entered into in the ordinary course of business) have been entered into by the members of the Group within two years preceding the Latest Practicable Date and which are or may be material:

(a) the equity transfer agreement dated 7 November 2009 entered into between the Company as the purchaser and Brilliant People Limited as the vendor and Shandong Zhi Xiang as the guarantor in relation to the acquisition of the entire issued share capital of Hill Talent Limited, details of the transaction can be found in the announcement and circular of the Company dated 12 November 2009 and 24 February 2010 respectively;

(b) the strategic cooperation agreement dated 26 March 2010 entered into between the Company and Xinwen Mining Group Co., Ltd*, a PRC state-owned enterprise, which is principally engaged in mining activities, in relation to provision of Technical Support by Xinwen Mining Group Co., Ltd* to the Company on the Project, details of the transaction can be found in the announcement of the Company dated 30 March 2010;

(c) the share purchase agreement dated 5 March 2010 entered into between Lit Mining and VNN as the sellers, Esperento S.à r.l. and Mineral Ventures Participações Ltda.; Infinite Sky Investments Limited, as the buyer, New Trinity Holdings Limited, and the Company in relation to the Acquisition. Details of the transaction can be found in the announcement and circular of the Company dated 16 April 2010 and 5 November 2010 respectively;

(d) the iron pellet feed long term supply and purchase agreement dated 17 January 2011 entered into between the Company and Hunan Valin Iron & Steel Group Co., Ltd. in relation to the Acquisition. Details of the transaction can be found in the announcement of the Company dated 17 January 2011;

(e) the Agreement.

IX. INTERESTS IN ASSETS AND/OR CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2009, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of or leased to any member of the Group.

* *For identification purposes only*

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which is significant in relation to the business of the Company.

X. EXPERTS AND CONSENT

The qualification of the expert who has given opinion in this Circular is as follows:

Name	Qualification
BDO Limited	Certified Public Accountants

As at the Latest Practicable Date, BDO Limited:

(a) has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its letter and reference to its name in the form and context in which it appears;

(b) did not have any direct or indirect interest in any asset which had been acquired, disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 31 December 2009, the date to which the latest audited financial statements of the Group was made up; and

(c) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

XI. GENERAL

(a) The registered office of the Company is situated at Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands. The head office and principal place of business of the Company in Hong Kong is situated at Suite 2703, 27th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.

(b) The company secretary of the Company is Mr. Lam King Ho, a member of the American Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

(c) The company compliance officer of the Company is Mr. Liu Wei, William. Mr. Liu is the Chief Executive Officer of the Company and holds a master degree in business administration from the University of San Francisco.

(d) The Company established an audit committee with written terms of reference in compliance with Rules 5.28 and 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group. The audit committee comprises three members, including Mr. Chan Chun Wai, Tony, Mr. Fok Hon and Mr. Ma

Gang, all are independent non-executive Directors. Mr. Chan Chun Wai, Tony has the appropriate financial and accounting experience required by the GEM Listing Rules and acts as the chairman of the audit committee.

(e) The registered address of the auditor, BDO Limited is 25th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong.

(f) The share registrar and transfer office of the Company in Hong Kong is Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.

(g) The English text of this Circular shall prevail over the Chinese text in the case of inconsistency.

XII. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's principal place of business in Hong Kong at Suite 2703, 27th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong during normal business hours from the date of this Circular up to and including the date of EGM:

(a) the memorandum and articles of association of the Company;

(b) each of the material contracts entered into by the Group as referred to in the paragraph headed " Material contracts" in this appendix;.

(c) the annual reports of the Company for each of the two financial years ended 31 December 2009;

(d) the interim report of the Company for the six months ended 30 June 2010;

(e) the review report prepared by BDO Limited on the unaudited consolidated financial information of the Disposal Group for the three financial years ended 31 December 2010, the text of which set out in appendix I to this Circular;

(f) the written consent from BDO Limited referred to in paragraph headed "Experts and consent" in this appendix;

(g) the letter on unaudited pro forma financial information of the Remaining Group from BDO Limited, the text of which is set out in Appendix II of this Circular;

(h) the circular issued by the Company dated 24 February 2010 in relation to the acquisition of the entire issued share capital of Hill Talent;

(i) the circular issued by the Company dated 5 November 2010 in relation to the to the development and mining activities of the Project; and

(j) this Circular;

Honbridge Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8137)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EGM (the "**Meeting**") of Honbridge Holdings Limited (the "**Company**", which together with its subsidiaries, the "**Group**") will be held at 2703, 27/F, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong on Friday, 18 March 2011, at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments) the following resolutions as ordinary solutions of the Company:

ORDINARY RESOLUTION

1. "**THAT**

   the sale and purchase agreement dated 31 January 2011 (the "**Agreement**") (copy of which, signed by the Chairman of the meeting for the purposes of identification, has been produced to the meeting marked "A") entered into between the Company and Win Gain Investments Limited be and is hereby approved, confirmed and ratified; and the directors of the Company be and are hereby authorised to do such acts and/or things and/or execute all such documents incidental to, ancillary to or in connection with matters contemplated in or relating to the Agreement as they may in their absolute discretion consider necessary, desirable or expedient to give effect to the Agreement and the implementation of all transactions contemplated thereunder and to agree to such variation, amendment or waiver as are, in the opinion of the directors of the Company, in the interest of the Company."

On behalf of the Board
HONBRIDGE HOLDINGS LIMITED
LIU Wei, William
Director and Chief Executive Officer

Hong Kong, 23 February 2011

Registered office:
Scotia Centre
4th Floor
P.O. Box 2804
George Town
Grand Cayman
Cayman Islands

Principal place of business in Hong Kong:
Suite 2703
27th Floor
Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and on a poll vote instead of him. A proxy need not be a member of the Company.

2. In order to be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited with the Company's share registrar and transfer office in Hong Kong, Union Registrars Limited, at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude any member from attending and voting in person at the meeting or any adjourned meeting thereof should he so wishes.

3. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint shareholdings.

4. As at the date of this notice, member of the board of directors of the Company consists of three executive directors, Mr. He Xuechu, Mr. Liu Wei, William and Mr. Shi Lixin, two non-executive directors Mr. Yan Weimin and Mr. Ang Siu Lun, Lawrence and three independent non-executive directors, Mr. Chan Chun Wai, Tony, Mr. Fok Hon and Mr. Ma Gang.