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HONBRIDGE HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 8137)

SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that after trading hours on 19 May 2011, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total number of 148,000,000 new Shares, at the subscription price of HK\$3.15 per Subscription Share to the Subscriber. The Subscription Price represents: (i) a premium of approximately 1.61% to the closing price of HK\$3.10 as quoted on the Stock Exchange on 19 May 2011, being the date of the Subscription Agreement; and (ii) a premium of approximately 2.94% to the average closing price of approximately HK\$3.06 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 19 May 2011. The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the prevailing market price of the Shares. The Directors consider that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Subscription Shares in aggregate represent approximately 2.42% of the existing issued share capital of the Company and approximately 2.36% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber (and its ultimate beneficial owner(s)) is a third party independent of any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates.

The gross proceeds from the Subscription will be approximately HK\$466,200,000. After deducting all relevant expenses in relation to the Subscription, the net proceeds of the Subscription will be approximately HK\$466,000,000. The Company intends to use the net proceeds from the Subscription to finance its acquisition of Sul Americana de Metais S.A. ("SAM"), a company incorporated in Brazil, which carries out mining exploration projects in Minas Gerais, Brazil and to provide loans to SAM. For details, please see the Company's circular issued on 5 November 2010.

The Subscription Shares will be issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 5 May 2011.

Completion of the Subscription is subject to the satisfaction of the Conditions. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENT

On 19 May 2011, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 148,000,000 Shares in cash at the subscription price of HK\$3.15 per Subscription Share.

Information on the Subscriber

The Subscriber, being a company incorporated in the British Virgin Islands with limited liability, is principally engaged in investment holding and is wholly and beneficially owned by Mr. LUO Yong, a merchant. To the best of the Directors' knowledge, information and belief, the businesses of the Subscriber and its subsidiaries include, amongst other things, property investment, investment consultancy and management and electrical infrastructure in the People's Republic of China.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Subscriber and its ultimate beneficial owner is a third party independent of any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates.

Number of the Subscription Shares

The Subscription Shares represent approximately (i) 2.42% of the existing issued share capital of the Company; and (ii) 2.36% of the existing issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Conditions of the Subscription

Completion of the Subscription shall be conditional upon:

- (a) the Stock Exchange having granted or agreed to grant the listing of, and permission to deal in, all of the Subscription Shares;
- (b) the Company and the Subscriber having obtained all consents and approvals in relation to the Subscription Agreement and the Subscription, and in compliance with all relevant laws and regulations (including but not limited to GEM Listing Rules and the laws of Hong Kong);

- (c) there being no indication from the Stock Exchange or the SFC that the listing of the Shares will be suspended, revoked or withdrawn due to whatever reasons (save for any temporary suspension not exceeding ten (10) consecutive trading days and for the purpose of clearing any announcement in relation to the Subscription).

The Subscriber may in its absolute discretion at any time waive Condition (c) and such waiver may be made subject to such terms and conditions as are determined by the Subscriber.

In the event that any of the Conditions is not fulfilled (or being waived by the Subscriber), on or before the Long Stop Date (or such later date as the Company and the Subscriber may agree in writing), the Subscription Agreement shall cease to be of any effect, and thereafter neither party shall have any obligations and liabilities towards each other thereunder in relation to the Subscription save for any antecedent breaches of the terms thereof.

Completion

The Completion will take place on the fifth Business Day after all of the Conditions have been fulfilled by the Company or, as the case may be, waived by the Subscriber (or such later date as the Company and the Subscriber may agree in writing).

SUBSCRIPTION PRICE

The subscription price of HK\$3.15 per Subscription Share was determined after arm's length negotiation between the Company and the Subscriber with reference to the prevailing market price of the Shares. The Directors consider that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Subscription Price represents:

- (i) a premium of approximately 1.61% to the closing price of HK\$3.10 per Share as quoted on the Stock Exchange on 19 May 2011, being the date of the Subscription Agreement; and
- (ii) a premium of approximately 2.94% to the average closing price of approximately HK\$3.06 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including 19 May 2011.

The net Subscription Price, after deduction of all relevant expenses in relation to the Subscription, is approximately HK\$3.15 per Subscription Share.

GENERAL MANDATE TO THE ISSUE OF SUBSCRIPTION SHARES

The Subscription Shares will be issued under the general mandate granted to Directors at the annual general meeting of the Company held on 5 May 2011.

As at the date of this announcement, no Share has been issued under the General Mandate and the General Mandate is sufficient for the allotment and issue of the Subscription Shares. The Company has not repurchased any issued Shares within the last thirty (30) days prior to the date of this announcement. As such, the allotment and issue of the Subscription Shares will not be subject to the approval of the Shareholders.

APPLICATION FOR LISTING

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

RANKING OF THE SUBSCRIPTION SHARES

The Subscription Shares, when fully paid, will rank pari passu in all respects with the Shares in issue on Completion, including the right to any dividends or distribution the record date for which falling on or after the date of Completion.

Completion of the Subscription is subject to the satisfaction of the Conditions. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in resources and energy business, including minerals, and iron and steel trading business the China and other overseas market, such as Brazil and Mexico, as well as research and development on the stability of solar grade silicon products.

The gross proceeds from the Subscription will be approximately HK\$466,200,000. After deducting all relevant expenses in relation to the Subscription, the net proceeds of the Subscription will be approximately HK\$466,000,000. The Directors consider that the Subscription represents an opportunity for the Company to enlarge the capital base of the Company and is beneficial to the Group. The Company intends to use the net proceeds from the Subscription to finance its acquisition of Sul Americana de Metais S.A. ("SAM"), a company incorporated in Brazil, which carries out mining exploration projects in Minas Gerais, Brazil and to provide loans to SAM. For details, please see the Company's circular issued on 5 November 2010.

The Directors consider that the terms of the Subscription Agreement are fair and reasonable based on the current market conditions and in the interests of the Company and its shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS OF THE COMPANY

The Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

EFFECTS OF THE SUBSCRIPTION ON SHAREHOLDING STRUCTURE OF THE COMPANY

The changes in the shareholding structure of the Company as a result of the Subscription are illustrated in the table below (assuming that there are no changes to the shareholding in the Company, other than as a result of the Subscription):

Shareholders	Existing shareholding as at the date of this announcement		Shareholding immediately upon Completion	
	Shares	Approximate %	Shares	Approximate %
Hong Bridge Capital Limited (Note 1)	4,095,000,000	66.85	4,095,000,000	65.27
Foo Yatyan (Note 2)	21,816,000	0.36	21,816,000	0.35
Brilliant People Limited (Note 3)	600,000,000	9.79	600,000,000	9.56
Other public shareholders	1,409,103,716	23.00	1,409,103,716	22.46
The Subscriber (Note 4)	–	–	148,000,000	2.36
Total	<u>6,125,919,716</u>	<u>100.00</u>	<u>6,273,919,716</u>	<u>100.00</u>

Notes:

1. The issued share capital of Hong Bridge Capital Limited which is wholly-owned by Mr. He Yuechu, an executive Director. Mr. He Yuechu is deemed to be interested in 4,095,000,000 Shares.
2. Ms. Foo Yatyan personally holds 21,816,000 Shares. Ms. Foo Yatyan is the spouse of Mr. He Xueshu who holds 4,095,000,000 Shares through his wholly-owned subsidiary Hong Bridge Capital Limited. Ms. Foo Yatyan and Mr. He Xueshu both are deemed to be interested in 4,116,816,000 Shares.
3. Brilliant People Limited is also the holder of HK\$400,000,000 convertible notes with an initial conversion price of HK\$1.0 per conversion share of the Company.
4. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Subscriber (and its ultimate beneficial owner(s)) is a third party independent of any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates.

TERMS AND DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Board”	the board of Directors
“Business Day(s)”	any day (excluding a Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong throughout their normal business hours
“Company”	Honbridge Holdings Limited, a company incorporated in Cayman Islands with limited liability, the issued shares of which are listed on the GEM of the Stock Exchange
“Completion”	completion of the issue and allotment of the Subscription Shares in accordance with the terms and conditions of the Subscription Agreement
“Conditions”	Conditions of the Subscription Agreement
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with Shares at the annual general meeting of the Company held on 5 May 2011
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party which is not a connected person of the Company and is independent of the Company and its connected persons
“Long Stop Date”	20 June 2011 (or such later date as the Company and the Subscriber may agree in writing), the date when all the conditions stipulated in the Subscription Agreement shall be fulfilled or being waived (as the case may be) by the Subscriber

“SFC”	the Securities and Futures Commission
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Zhe Shuang Investment Holdings Group Ltd, an Independent Third Party
“Subscription”	the subscription for Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 19 May 2011 entered into between the Company and the Subscriber in relation to the subscription for 148,000,000 new Shares
“Subscription Price”	HK\$3.15 per Subscription Share
“Subscription Shares”	148,000,000 new Shares to be allotted and issued under the Subscription
“substantial shareholder(s)”	has the meaning ascribed to it in the GEM Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

As at the date of this announcement, the directors of the Company are as follows:

Executive Director:

Mr. HE Xuechu (*Chairman*)

Mr. LIU Wei, William (*Chief Executive Officer*)

Mr. SHI Lixin

Non-Executive Director:

Mr. YAN Weimin

Mr. ANG Siu Lun Lawrence

Independent Non-Executive Director:

Mr. CHAN Chun Wai, Tony

Mr. FOK Hon

Mr. MA Gang

On behalf of the Board
Honbridge Holdings Limited
LIU Wei, William
Director and Chief Executive Officer

Hong Kong, 20 May 2011

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited 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: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of posting and on the Company’s website www.8137.hk.