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HONBRIDGE HOLDINGS LIMITED

(incorporated in the Cayman islands with limited liability)

(stock code: 8137)

ENTERING INTO MEMORANDUM OF UNDERSTANDING FOR BRAZIL SAM IRON MINE PROJECT ANCILLARY PORT CONSTRUCTION WITH CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED

The Board is please to announce that, on 26 May 2011, a non-legally binding Memorandum of Understanding was entered into between the Company and China Communications Construction.

THE MEMORANDUM OF UNDERSTANDING

Pursuant to the Memorandum of Understanding, within 30 days after the entering into of the Memorandum of Understanding, China Communications Construction will carry out a physical site visit regarding the scope of work, work content, working plan, required expenses and other necessary basic data and information of the Feasibility Study of the Brazil SAM Iron Mine Project ancillary port construction. Within 30 days after the site visit, China Communications Construction will prepare a proposal for the Company's consideration.

Within 30 days after the receipt of the proposal from China Communications Construction, the Company shall complete the consideration of the proposal and inform China Communications Construction of the Company's decision to approve or disapprove the proposal in writing. On the condition that the proposal is approved by the Company in writing, the parties will further negotiate and enter into an agreement for the commencement of the Feasibility Study. The parties will be responsible for their respective obligations and duties pursuant to the agreement.

Given the effects exerted by China Communications Construction on Brazil SAM Iron Mine Project ancillary port construction, the Company has agreed to give priority in engaging China Communications Construction to be in charge of the project construction by way of EPC or other modes mutually agreed by both parties.

Both parties have agreed that, provided that certain conditions are fulfilled and a unanimous consent has been reached, China Communications Construction may participate in the equity of and invest in the Project, and assist the Company in introducing other investment and financing partners.

Shareholders and potential investors should note that completion of the Memorandum of Understanding is subject to the fulfillment of certain conditions precedent and may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Reference is made to (i) the announcement of the Company dated 16 April 2010 in relation to the Acquisition; (ii) the circular of the Company dated 5 November 2010 (the “**Circular**”) in relation to, among others, the Acquisition, which was subsequently approved by the Shareholders at the extraordinary general meeting dated 23 November 2010 as disclosed in the notice of extraordinary general meeting published on the same date; and (iii) the announcement of the Company dated 24 December 2010 and 4 April 2011 regarding the update on estimated mineral resources and valuation of the Project.

On 26 May 2011, a non-legally binding Memorandum of Understanding was entered into by the Company and China Communications Construction.

THE MEMORANDUM OF UNDERSTANDING

Date: 26 May 2011

Parties: (1) China Communications Construction Company Limited
(2) the Company

To the best of the directors’ knowledge, information and belief having made all reasonable enquiries, China Communications Construction and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules).

Major terms and conditions of the Memorandum of Understanding:

Within 30 days after the entering into of the Memorandum of Understanding, China Communications Construction will carry out a physical site visit regarding the scope of work, work content, working plan, required expenses and other necessary basic data and information of the Feasibility Study of the Feasibility Study of the Brazil SAM Iron Mine Project ancillary port construction. Within 30 days after the site visit, China Communications Construction will prepare a proposal for the Company’s consideration.

Within 30 days after the receipt of the proposal from China Communications Construction, the Company shall complete the consideration of the proposal and inform China Communications Construction of the Company’s decision to approve or disapprove the proposal in writing. On the condition that the proposal is approved by the Company in writing, the parties will further negotiate and enter into an agreement for the commencement of the Feasibility Study. The parties will be responsible for their respective obligations and duties pursuant to the agreement.

During the stage of the Feasibility Study, China Communications Construction will establish a project team to provide the following services to the Company:

- (a) In respect of the on-site works which involve the deployment of equipments (such as inspection and surveying) and the different types of tests and researches required for the completion of the Feasibility Study, China Communications Construction will provide project management services such as assessment of the contractors proposed to be hired and monitoring of the relevant work process.
- (b) Carry out works which require consultancy companies that are familiar with local regulations and work flows to carry out, such as environmental assessment of the project and assist in completing the environmental approval report to the relevant department of the government; provide project management services such as assessment of the consultancy company proposed to be hired and monitoring of the relevant work process.
- (c) Prepare and submit a Feasibility Study report that meets the requirements of the Company.

Given the effects exerted by China Communications Construction on Brazil SAM Iron Mine Project ancillary port construction, the Company has agreed to give priority in engaging China Communications Construction to be in charge of the project construction by way of EPC or other modes mutually agreed by both parties.

Both parties have agreed that, provided that certain conditions are fulfilled and a unanimous consent has been reached, China Communications Construction may participate in the equity of and invest in the Project, and assist the Company in introducing other investment and financing partners.

INFORMATION ON THE COMPANY

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

INFORMATION OF CHINA COMMUNICATIONS CONSTRUCTION

China Communications Construction is a limited company established and existing pursuant to the laws of China and listed on the Main Board of the Stock Exchange (Hong Kong stock code: 1800). China Communications Construction is the world's top 500 companies which possesses extensive experiences in project consultancy, construction, financing, etc. It also possesses years of experiences in project development, construction and management in Brazil.

China Communications Construction is an independent third party of the Company.

REASONS FOR ENTERING INTO THE MEMORANDUM OF UNDERSTANDING

On 5 March 2010, the Company and VNN have entered into the Share Purchase Agreement to acquire 100% equity interest of SAM. As disclosed in the announcement dated 4 April 2011, based on the analysis of the drilling data and testing results on Block 8 up to 3 March 2011, Golder's JORC compliant mineral resources estimate is at least 2,615 million tonnes of ROM. Based on an earlier analysis of the drilling data and testing results on Block 7 up to 20 May 2010 (included in the Technical Report of the Circular), Coffey Mining's JORC compliant mineral resources estimate is at least 1,056 million tonnes of ROM. The estimate of the total JORC compliant Measured Resources, Indicated Resources and Inferred Resources of the two blocks are at least 3,600 million tonnes of ROM.

SAM plans to construct a plant in Block 8 for mining, beneficiation, pipeline transportation and port with phase one annual production of 25 million tons and Fe>65% iron concentrate.

China Communications Construction is the world's top 500 companies which possesses extensive experiences in project consultancy, construction, financing, etc. It also possesses years of experiences in project development, construction and management in Brazil.

Considering the mutual benefits in the Brazil SAM Iron Mine Project, the Company and China Communication Construction has entered into the Memorandum of Understanding.

Shareholders and potential investors should note that completion of the Memorandum of Understanding is subject to the fulfillment of certain conditions precedent and may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

“Acquisition”	the acquisition by the Company of the SAM Shares pursuant to the terms and conditions of the Share Purchase Agreement;
“associate(s)”	has the meaning ascribed to it in the GEM Listing Rules;
“Block 7”	the area represented by the Exploration Permit numbers 830.018/2006, 830.019/2006, 830.038/2006, 832.587/2006 and 831.519/2008, the five applications represented by the numbers 830.738/2009, 830.739/2009, 830.740/2009, 830.741/2009 and 830.742/2009 and a bid represented by the number 833.189/2005;
“Block 8”	the area represented by the Exploration Permit numbers 831.029/2007 and 831.028/2007 and the four bids represented by the numbers 832.084/2006, 832.085/2006, 832.086/2006 and 832.087/2006;

“China Communications Construction”	China Communications Construction Company Limited, a limited company established and existing pursuant to the laws of China and listed on the Main Board of the Stock Exchange (Hong Kong stock code: 1800);
“Circular”	the circular of the Company dated 5 November 2010;
“Coffey Mining”	Coffey Mining Pty Ltd, a global specialist consultancy firm which provides a wide range of technical services and products to all sectors of the international mining industry;
“Company”	Honbridge Holdings Limited, a company incorporated in the Cayman Islands with limited liabilities, the shares of which are listed on GEM;
“Controlling Shareholder”	has the meaning ascribed to it under the GEM Listing Rules;
“Directors”	the directors of the Company;
“EPC”	Engineering, procurement and construction;
“Exploration Permits”	the exploration permits held by SAM and its affiliates which will be transferred to SAM as set out in the Share Purchase Agreement and any other exploration permits acquired by SAM after the date of the Share Purchase Agreement, but excluding any exploration permits relinquished after the date of the Share Purchase Agreement;
“Feasibility Study”	the feasibility study of the Brazil SAM Iron Mine Project ancillary port Construction included in the Memorandum of Understanding;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM;
“Golder”	Golder Associates Brasil Consultoria e Projetos Ltda., the mining technical adviser, has been commissioned to estimate the mineral resources and reserves for the Project and has prepared a progress technical report;
“Group”	the Company and its subsidiaries;

“Indicated Resources”	as defined by reference to the JORC Code, that part of a Iron Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed. An Indicated Resource has a lower level of confidence than that applying to a Measured Resource, but has a higher level of confidence level than that applying to an Inferred Resource;
“Inferred Resources”	as defined by reference to the JORC Code, that part of a Iron Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability. An Inferred Resource has a lower level of confidence than that applying to an Indicated Resource;
“Iron Mineral Resource(s)”	as defined by reference to the JORC Code, a concentration or occurrence of material of intrinsic economic interest in or on the Earth’s crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Iron Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Iron Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories;
“JORC”	Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia;
“JORC Code”	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources as prepared by JORC;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Measured Resources”	as defined by reference to the JORC Code, that part of a Iron Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and/or grade continuity. Mineralisation may be classified as a Measured Resource when the nature, quality, amount and distribution of data are such as to leave no reasonable doubt, in the opinion of the competent person determining the Iron Mineral Resource, that the tonnage and grade of the mineralisation can be estimated to within close limits and that any variation from the estimate would be unlikely to significantly affect potential economic viability;
“Memorandum of Understanding”	The Memorandum of Understanding for Brazil SAM Iron Mine Project Ancillary Port Construction dated 26 May 2011 entered into between the Company and China Communications Construction;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, 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;
“ROM”	Run-Of-Mine or as-mined material;
“SAM”	Sul Americana de Metais S.A., a company incorporated in Brazil and an indirect wholly-owned subsidiary of Votorantim Novos Negocios Ltda.;
“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, as the buyer, New Trinity Holdings Limited, and the Company in relation to the Acquisition;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Technical Report”	a resource estimate of Block 7 and Block 8 (as defined in the Circular) in accordance with the JORC Code based on the Initial Scope of Work and to be prepared by an independent international geological consulting firm to be jointly engaged by VNN and Lit Mining, and Infinite Sky;

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong; and;

“%” per cent.

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

Hong Kong, 31 May 2011

As at the date of this announcement, the Board comprises Mr. He Xuechu, Mr. Liu Wei, William and Mr. Shi Li Xin as executive directors; Mr. Ang Siu Lun, Lawrence and Mr. Yan Weimin as non-executive directors and Mr. Chan Chun Wai, Tony, Mr. Fok Hon and Mr. Ma Gang as independent non-executive directors. This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the “GEM Listing Rules” for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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