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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 WITH CHINA NONFERROUS METAL INDUSTRY'S FOREIGN ENGINEERING AND CONSTRUCTION CO., LTD.

The Board is pleased to announce that, on 12 September 2012, a non-legally binding Memorandum of Understanding for Brazil SAM Iron Mine was entered into between the Company and China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. ("NFC").

Shareholders and potential investors should note that completion of the Memorandum of Understanding for Brazil SAM Iron Mine is subject to the fulfilment of certain conditions precedent and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

BACKGROUND

Reference is made to (i) the announcement of the Company dated 16 April 2010 (the "**Announcement**") regarding the entering into of the definitive Share Purchase Agreement in relation to the Acquisition between Lit Mining and VNN as the sellers, Esperento and Mineral Ventures; Infinite Sky, as the buyer, New Trinity, and the Company; and (ii) the circular of the Company dated 5 November 2010 (the "**Circular**") in relation to, among others, the Acquisition, which is subsequently approved by the Shareholders at the EGM dated 23 November 2010 as disclosed in the notice of EGM published on the same date. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Circular.

On 12 September 2012, a non-legally binding Memorandum of Understanding for Brazil SAM Iron Mine was entered into by the Company and NFC.

THE MEMORANDUM OF UNDERSTANDING FOR BRAZIL SAM IRON MINE

Date: 12 September 2012

Parties: (1) the Company
(2) China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd.

To the best of the directors' knowledge, information and belief having made all reasonable enquiries, NFC 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 for Brazil SAM Iron Mine:

- (1) NFC intends to provide feasibility study services to the Company.
- (2) NFC intends to provide beneficiation EPCM services to the Brazil SAM Iron Mine of the Company, and is responsible for beneficiation design, procurement, construction and construction management. As the principal constructor, NFC may sub-contract the construction contract but is responsible for the quality, progress and safety of the whole contract. NFC also intends to be the principal constructor of mining, beneficiation, slurry pipeline and port construction of the whole project when certain conditions are met.
- (3) NFC shall assist the Company in financing the Project. It is targeted to finance 70% of the total investment of the Project.
- (4) NFC intends to undertake all or part of the iron concentrate products.

INFORMATION OF THE GROUP

The Group is principally engaged in the research and exploration of mineral resources, trading of steel products and non-ferrous metals (including copper) and the production and sale of silicon products.

INFORMATION OF NFC

NFC is a state-owned enterprise listed on the Shenzhen Stock Exchange, principally engaged in international mining projects and particularly in the nonferrous metal mining engineering and related technology export, equipment manufacture, installation, and construction management services. NFC is reputable for its international large scale mines integrated construction experience.

NFC is an independent third party of the Company.

REASONS FOR ENTERING INTO THE MEMORANDUM OF UNDERSTANDING FOR BRAZIL SAM IRON MINE

On 5 March 2010, the Company and VNN have entered into the Share Purchase Agreement to acquire 100% equity interest of SAM. SAM holds 81 iron mine exploration licenses. Block 8 is undergoing or has completed certain environmental assessment, beneficiation tests, engineering design, water and electricity supply, slurry pipeline transport, port construction and various individual studies. The phase one construction is to build a mining, beneficiation and related logistics facilities for annual production of 25 million tonnes iron concentrate. SAM has recently submitted the EIA-RIMA (Estudo de Impacto Ambiental-Relatório de Impacto Ambiental) (Environmental Impact Study-Environmental Impact Report) to IBAMA of Brazil on 3 July 2012 and IBAMA formally accepted the EIA-RIMA on 22 August 2012.

NFC is principally engaged in international mining projects and particularly in the nonferrous metal mining engineering and related technology export, equipment manufacture, installation, and construction management services. NFC is reputable for its international large scale mines integrated construction experience.

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

Shareholders and potential investors should note that completion of the Memorandum of Understanding for Brazil SAM Iron Mine 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.

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

Hong Kong, 12 September 2012

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 Rules Governing the Listing of Securities on the Growth Enterprise Market 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 the information contained in this announcement 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 announcement misleading.

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