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## **HONBRIDGE HOLDINGS LIMITED**

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

**(Stock code: 8137)**

### **PLACING OF NEW SHARES UNDER PLACING SPECIFIC MANDATE; SUBSCRIPTION FOR NEW SHARES UNDER SUBSCRIPTION SPECIFIC MANDATE; AND RESUMPTION OF TRADING**

**Placing Agent**



#### **THE PLACING**

On 7 May 2015, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a fully underwritten basis, 754,000,000 Placing Shares, to not less than six Placees who and whose beneficial owners are Independent Third Parties at a price of HK\$1.12 per Placing Share. The Placing Shares will be allotted and issued pursuant to the Placing Specific Mandate to be obtained at the EGM.

The 754,000,000 Placing Shares represents (i) 11.3% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 10.2% of the existing issued share capital of the Company as enlarged by the Placing. The aggregate nominal value of the Placing Shares under the Placing (assuming the Placing is completed in full) will be HK\$754,000.

Assuming all the Placing Shares have been placed under the Placing Agreement, the maximum gross proceeds from the Placing will be approximately HK\$844.5 million and the maximum net proceeds will be approximately HK\$836.7 million (after deduction of commission and other expenses of the Placing). It is expected that the net proceeds from the Placing will be utilised in new energy vehicles related projects, preliminary work of Brazilian iron ore project and general working capital.

The Placing Price of HK\$1.12 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent and represents: (i) a discount of 57.3% to the closing price of HK\$2.62 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 56.3% to the average closing price of HK\$2.56 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement.

The Placing is subject to the Shareholders' approval. The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Placing and granting the Placing Specific Mandate to allot and issue the Placing Shares proposed to be placed pursuant to the Placing Agreement. To the best knowledge of the Directors, no Shareholder is required to abstain from voting at the EGM in respect of the resolution(s) relating to the Placing and the Placing Specific Mandate.

**Shareholders and potential investors should note that Completion is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **THE SUBSCRIPTION**

On 7 May 2015, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber conditionally agreed to subscribe for and the Company conditionally agreed to issue an aggregate of 446,000,000 Subscription Shares at a price of HK\$1.12 per Subscription Share.

The Subscription Price represents (i) a discount of approximately 57.3% to the closing price of HK\$2.62 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 56.3% to the average closing price of approximately HK\$2.56 per Share as quoted on Stock Exchange for the last five trading days immediately prior to the date of the Subscription Agreement.

The Subscription Shares of 446,000,000 represent approximately 6.7% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.3% of the issued share capital of the Company as enlarged by the Subscription Shares. The Subscription Shares will be issued pursuant to the Subscription Specific Mandate to be obtained at the EGM.

Completion of the Subscription is conditional upon, among other things, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

The gross proceeds from the Subscription are estimated to be approximately HK\$499.5 million and the net proceeds are estimated to be approximately HK\$499.3 million. The Company intends to apply the net proceeds from the Subscription in new energy vehicles related projects, preliminary work of Brazilian iron ore project and general working capital.

**Shareholders and potential investors should note that completion of the Subscription is subject to fulfillment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

A circular containing, among other things, (i) further details of the Placing; (ii) further details of the Subscription; (iii) reasons for Placing and Subscription; (iv) use of proceeds; and (v) a notice convening the EGM will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange had been halted with effect from 9:00 a.m. on Thursday, 7 May 2015 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares from 9:00 a.m. on Friday, 8 May 2015.

### **THE PLACING**

On 7 May 2015, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a fully underwritten basis, 754,000,000 Placing Shares, to not less than six Placees who and whose beneficial owners are Independent Third Parties at a price of HK\$1.12 per Placing Share.

#### **The Placing Agreement**

##### **Date**

7 May 2015

##### **Parties**

Issuer : The Company

Placing Agent : ABCI Securities Company Limited

The Placing Agent has conditionally agreed to place 754,000,000 Placing Shares, on a fully underwritten basis, to not less than six Placees. The Placing Agent will receive a placing commission of 0.875% of the aggregate Placing Price for the Placing Shares successfully placed by the Placing

Agent on behalf of the Company in pursuance of its obligations under the Placing Agreement. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market condition.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

### **Placees**

The Placing Shares are to be placed to not less than six Placees, who and whose ultimate beneficial owners, shall be Independent Third Parties. The Placing Agent undertook that none of the Placees would, immediately upon completion of the Placing, become a substantial Shareholder (within the meaning of the GEM Listing Rules) of the Company.

### **Placing Shares**

The maximum number of 754,000,000 Placing Shares represent (i) 11.3% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 10.2% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be HK\$754,000.

### **Placing Price**

The Placing Price is HK\$1.12 per Placing Share, representing:

- (i) a discount of 57.3% to the closing price of HK\$2.62 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 56.3% to the average closing price of HK\$2.56 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to, among other matters, the prevailing market price of the Shares. The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Assuming all the Placing Shares have been placed, the maximum gross proceeds from the Placing will be approximately HK\$844.5 million and the maximum net proceeds (after deduction of commission payable to the Placing Agent and other expenses incidental to the Placing) will be approximately HK\$836.7 million. On such basis, the net issue price will be approximately HK\$1.11 per Placing Share.

## **Ranking of the Placing Shares**

The Placing Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue as at the date of allotment and issue of the Placing Shares.

## **Conditions of the Placing**

Completion of the Placing is conditional upon:

- (i) before the completion of the Placing, that there shall not have occurred any material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole (whether or not in ordinary course of business);
- (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment and/or despatch of certificates for the Placing Shares) the listing of, and permission to deal in, the Placing Shares under the Placing;
- (iii) the passing of resolution(s) by the Shareholders to approve the Placing Agreement and the transactions contemplated thereunder, including the allotment and issue of the Placing Shares at the EGM; and
- (iv) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure event.

If any of the above conditions are not fulfilled prior to 5:00 p.m. on the Placing Long Stop Date, the Placing Agreement shall terminate and subject to terms of the Placing Agreement, neither party shall have any claim against the other for any costs or losses (save for any antecedent breaches of the Placing Agreement).

## **Completion**

Completion of the Placing shall take place within three Business Days after the fulfillment of the above conditions or such later date as the Company and the Placing Agent may agree in writing.

## **Mandate to issue the Placing Shares**

The Placing Shares proposed to be issued under the Placing Agreement will be issued pursuant to the Placing Specific Mandate to be obtained at the EGM.

## **Termination and force majeure**

Unless otherwise agreed between the Company and the Placing Agent, the Placing Agent's appointment shall terminate upon the earlier of (a) the completion of the Placing and (b) termination of the Placing by the Placing Agent in accordance with the terms and conditions of the Placing Agreement.

The Placing Agent reserves its right to terminate the Placing Agreement by notice in writing prior to 9:00 a.m. on the date of completion of the Placing, if in the reasonable opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events (as defined below).

For this purpose, a “force majeure event” refers to

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation to suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing; or
- (d) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement ; or
- (e) any suspension in the trading of the Shares on the Stock Exchange for more than fifteen consecutive trading days save for the purposes of clearing of the announcement(s) or circular(s) relating to the Placing; or
- (f) any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing,

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent under the Placing Agreement shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

### **Application for Listing**

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

### **REASONS FOR PLACING AND USE OF PROCEEDS**

The Company is principally engaged in the production and sales of lithium-ion battery and the exploration of overseas mineral resources. The Company is actively looking for acquisition and investment targets in new energy vehicles manufacturing sector as well as three core technologies in new energy vehicles which are power battery, electric motor and vehicle electronic control and etc.

The Directors are of the view that the Placing can strengthen the financial position of the Group and provide working capital to the Group to meet any future development and obligations. The Placing also represents good opportunities to broaden the shareholders' base and the capital base of the Company. The Directors consider that the Placing is in the interest of the Company and the Shareholders as a whole.

As disclosed above, the maximum net proceeds will be approximately HK\$836.7 million. The net proceeds will be utilised in the following areas:

- (i) approximately HK\$593.7 million will be used in new energy vehicle related projects;
- (ii) approximately HK\$126 million will be used in the preliminary work of the Brazilian iron ore project; and
- (iii) the remaining HK\$117 million will be utilised as the general working capital of the Group or supplement the above two areas.

**Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **THE SUBSCRIPTION**

On 7 May 2015, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber conditionally agreed to subscribe for and the Company conditionally agreed to issue an aggregate of 446,000,000 Subscription Shares at a price of HK\$1.12 per Subscription Share.

### **The Subscription Agreement**

#### **Date**

7 May 2015

#### **Parties**

- (a) The Company
- (b) Shagang International (Hong Kong) Co., Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties.

#### **Subscription Shares**

The Subscription Shares in an aggregate of 446,000,000 new Shares represent approximately 6.7% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.3% of the issued share capital of the Company as enlarged by the Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$446,000.

#### **Ranking of Subscription Shares**

The Subscription Shares, when issued and fully paid, will rank *pari passu* among themselves and with Shares in issue on the date of issue and allotment of the Subscription Shares.

#### **Subscription Price**

The Subscription Price is HK\$1.12 per Subscription Share, which represents:

- (i) a discount of approximately 57.3% to the closing price of HK\$2.62 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 56.3% to the average closing price of HK\$2.56 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Subscription Agreement.

The aggregate Subscription Price of approximately HK\$499.5 million shall be payable in cash (or other form as agreed by the Company) by the Subscriber upon completion of the Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the recent market price of the Shares. The Board considers that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

### **Conditions of the Subscription**

Completion of the Subscription is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares;
- (ii) the Company and the Subscriber having obtained necessary consents and approvals, and approvals and consents from the relevant governmental and regulatory bodies, in respect of the Subscription Agreement and the transactions contemplated thereunder; and complied with the relevant laws and regulations (including but not limited to the laws and regulations of the PRC and Hong Kong and the GEM Listing Rules), and such consents and approvals shall be valid up to the date of completion of the Subscription Agreement; and no laws or regulations restrict or delay the completion of this Agreement; and
- (iii) the grant of approval by the Shareholders on the Subscription Agreement and the transactions contemplated thereunder (including but not limited to the issue of the Subscription Shares) at the EGM.

In the event that the above condition is not fulfilled on or before 6 July 2015 (or such other day as the Company and the Subscriber may agree), the rights and obligations of the Subscriber and the Company in respect of the Subscription shall forthwith terminate and cease to have any effect.

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

### **Completion of the Subscription**

Completion of the Subscription shall take place within three Business Days after fulfillment of the above condition (or such other date as the Company and the Subscriber may agree).

### **Mandate to issue the Subscription Shares**

The Subscription Shares will be allotted and issued under the Subscription Specific Mandate to be obtained at the EGM.

## **INFORMATION ON THE SUBSCRIBER**

The Subscriber is an investment holding company wholly owned by Jiangsu Shagang Group Company Limited (江蘇沙鋼集團有限公司) (the “**Shagang Group**”). The Subscriber is principally engaged in international trading, foreign investments and development of foreign resources. The Subscriber currently holds 46.86% shareholding in Grange Resources Limited, a mineral resources company listed on the ASX Limited (ASX Code: GRR) in Australia.

To the Directors’ knowledge and information, the Shagang Group is the largest privately owned steel and iron company in the PRC. According to information provided by the Shagang Group, the recognized revenue of the Shagang Group in 2014 was approximately RMB248.5 billion with a gross profit ranked second in the corresponding industry in the PRC. In 2014, the Shagang Group ranked 54th and 19th among the Top 500 Enterprises of China and Top 500 Manufacturers of China respectively. In addition, the Shagang Group has been ranked among the Fortune’s Global 500 list of the world’s largest corporations for 6 consecutive years and the Shagang Group ranked 308th in 2014.

## **REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

The Company is principally engaged in the production and sales of lithium-ion battery and the exploration of overseas mineral resources. The Company is actively looking for acquisition and investment targets in new energy vehicles manufacturing sector as well as three core technologies in new energy vehicles which are power battery, electric motor and vehicle electronic control and etc.

The Board considers that the Subscription will further strengthen the capital base and financial position of the Company for the Group’s future business developments. The gross proceeds from the Subscription are estimated to be approximately HK\$499.5 million and the net proceeds are estimated to be approximately HK\$499.3 million (representing a net Subscription Price of approximately HK\$1.12 per Subscription Share). The net proceeds will be utilised in the following areas:

- (i) approximately HK\$356.3 million will be used in new energy vehicle related projects;
- (ii) approximately HK\$74 million will be used in the preliminary work of the Brazilian iron ore project; and
- (iii) the remaining HK\$69 million will be utilised as the general working capital of the Group or supplement the above two areas.

The Board is of the view that the Subscription Agreement is entered into upon normal commercial terms following arm’s length negotiations between the Company and the Subscriber and that the terms of the Subscription Agreement are fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

Shareholders and potential investors should note that completion of the Subscription is subject to fulfillment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

#### USE OF PROCEEDS SUMMARY

|              | <b>New energy<br/>vehicles related<br/>projects<br/><i>HK\$ million</i></b> | <b>Brazilian iron<br/>ore project<br/><i>HK\$ million</i></b> | <b>General<br/>working capital<br/>or supplement<br/>new energy<br/>vehicles and<br/>Brazilian iron<br/>ore project<br/><i>HK\$ million</i></b> | <b>Total<br/>Net Proceeds<br/><i>HK\$ million</i></b> |
|--------------|---|---|---|---|
| Placing      | 593.7   | 126.0   | 117.0   | 836.7   |
| Subscription | <u>356.3</u>  | <u>74.0</u>   | <u>69.0</u>   | <u>499.3</u>  |
|              | <u><u>950.0</u></u>   | <u><u>200.0</u></u>   | <u><u>186.0</u></u>   | <u><u>1,336.0</u></u>                                 |

#### FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The Company had not conducted any fund raising activities in the past 12 months immediately preceding the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing and the Subscription (assuming all Placing Shares are placed in full and there is no other change in the shareholding structure of the Company before the issue of the Placing Shares and the Subscription Shares) are set out below:

| Shareholders                 | As at the date of<br>this announcement |                  | Upon completion of<br>the Placing |                  | Upon completion of<br>the Placing and<br>the Subscription |                  |
|------------------------------|--|------------------|-----------------------------------|------------------|---|------------------|
|                              | Number of<br>Shares                    | Approximate<br>% | Number of<br>Shares               | Approximate<br>% | Number of<br>Shares                                       | Approximate<br>% |
| Hong Bridge (Note 1)         | 4,065,000,000                          | 61.1             | 4,065,000,000                     | 54.9             | 4,065,000,000   | 51.8             |
| He Xuechu                    | 57,939,189                             | 0.9              | 57,939,189                        | 0.8              | 57,939,189  | 0.7              |
| Foo Yatyan (Note 2)          | 22,460,000                             | 0.3              | 22,460,000                        | 0.3              | 22,460,000  | 0.3              |
| Li Shufu (Note 3)            | 103,064,000                            | 1.6              | 103,064,000                       | 1.4              | 103,064,000   | 1.3              |
| Geely HK (Note 4)            | 250,675,675                            | 3.8              | 250,675,675                       | 3.4              | 250,675,675   | 3.2              |
| The Subscriber               | —                                      | —                | —                                 | —                | 446,000,000   | 5.7              |
| The Placees                  | —                                      | —                | 754,000,000                       | 10.2             | 754,000,000   | 9.6              |
| Other public<br>Shareholders | <u>2,145,682,742</u>                   | <u>32.3</u>      | <u>2,145,682,742</u>              | <u>29.0</u>      | <u>2,145,682,742</u>                                      | <u>27.4</u>      |
| Total                        | <u>6,644,821,606</u>                   | <u>100.00</u>    | <u>7,398,821,606</u>              | <u>100.00</u>    | <u>7,844,821,606</u>                                      | <u>100.00</u>    |

### Notes:

- As at the date of this announcement, Mr. He is a controlling Shareholder and an executive Director, and holds 68% equity interest of Hong Bridge, and Mr. Li Xing Xing holds 32% equity interest of Hong Bridge.
- Ms. Foo Yatyan is the spouse of Mr. He.
- As at the date of this announcement, Mr. Li Shufu holds 90% equity interest of Zhejiang Geely, and Zhejiang Geely held the entire issued share capital of Geely HK.
- As at the date of this announcement, Geely HK holds HK\$740,000,000 convertible notes of the Company with a conversion price of HK\$0.37 per conversion Share.

## GENERAL

Each of the Placing and the Subscription shall be subject to Shareholders' approval. The EGM will be convened and held for the purposes of considering and, if thought fit, among other things, approving the Placing Agreement and the Placing Specific Mandate; and the Subscription Agreement and the Subscription Specific Mandate. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders has a material interest in the transactions contemplated under the Placing Agreement and the Subscription Agreement and therefore, none of the

Shareholders is required to abstain from voting at the EGM in respect of the resolution(s) relating to the Placing and the Placing Specific Mandate; and the Subscription and the Subscription Specific Mandate.

A circular containing further details of, among other things, the Placing, the Subscription, reason for the Placing and Subscription, the use of proceeds and a notice to convene the EGM will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

**The Placing and the Subscription are not inter-conditional.**

Reference is made to the Company's announcement dated 27 April 2015 in relation to the unusual share price and trading volume movements (the "Announcement"). The Company wish to update its shareholders and potential investors that the Company decided to raise funds by way of placing and issue of shares instead of the convertible bonds. As such, the possible issue of convertible bonds of the Company mentioned in the Announcement will not be proceeded.

**RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange had been halted with effect from 9:00 a.m. on Thursday, 7 May 2015 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares from 9:00 a.m. on Friday, 8 May 2015.

**DEFINITIONS**

Unless the context requires otherwise, the following terms in this announcement have the following meanings:

- |                       |  |
|-----------------------|--|
| “associate(s)”        | has the meaning ascribed thereto under the GEM Listing Rules   |
| “Board”               | the board of Directors   |
| “Business Day”        | any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours       |
| “Company”             | Honbridge Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM |
| “Completion”          | the completion of the Placing Agreement in accordance with the terms thereof   |
| “connected person(s)” | has the meaning ascribed to it in the GEM Listing Rules  |
| “Director(s)”         | director(s) of the Company   |

|                                 |  |
|---------------------------------|--|
| “EGM”                           | the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Placing Agreement and the transactions contemplated thereunder; and the Subscription Agreement and the transactions contemplated thereunder |
| “GEM”                           | the Growth Enterprise Market of the Stock Exchange   |
| “GEM Listing Rules”             | the Rules Governing the Listing of Securities on the GEM   |
| “Group”                         | the Company and its subsidiaries   |
| “Hong Kong”                     | Hong Kong Special Administrative Region of the PRC   |
| “Independent Third Party (ies)” | third party(ies) independent of and not connected with the Company and any of its connected persons or their respective associates   |
| “Last Trading Day”              | 6 May 2015, being the last full trading day for the Shares prior to the issue of this announcement   |
| “Placee(s)”                     | any individuals, corporate, institutional investors or other investors to be procured by or on behalf of the Placing Agent under the Placing   |
| “Placing”                       | the proposed placing of up to 754,000,000 new Shares by the Placing Agent on a fully underwritten basis pursuant to the terms and conditions of the Placing Agreement  |
| “Placing Agent”                 | ABCI Securities Company Limited, a licensed corporation to carry out business in type 1 regulated activity (dealing in securities) and type 4 (advising on securities) under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)                               |
| “Placing Agreement”             | a conditional placing agreement dated 7 May 2015 entered into between the Company and the Placing Agent in relation to the Placing   |
| “Placing Long Stop Date”        | the date falling on the third Business Day after the date of EGM or 6 July 2015, whichever is earlier, or such other date as the Company and the Placing Agent may agree in writing  |
| “Placing Price”                 | HK\$1.12 per Placing Share   |
| “Placing Shares”                | 754,000,000 new Shares proposed to be placed under the Placing Agreement   |
| “Placing Specific Mandate”      | the specific mandate to be granted by the Shareholders to the Board at the EGM for the allotment and issue of 754,000,000 Placing Shares   |

|                                 |   |
|---------------------------------|---|
| “PRC”                           | the People’s Republic of China  |
| “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)   |
| “Share Subscription”            | the subscription for the Subscription Shares by the Subscriber pursuant to the Subscription Agreement   |
| “Stock Exchange”                | The Stock Exchange of Hong Kong Limited   |
| “Subscriber”                    | Shagang International (Hong Kong) Co., Limited 沙鋼國際(香港)有限公司, a company incorporated in Hong Kong  |
| “Subscription Agreement”        | the subscription agreement dated 7 May 2015 entered into between the Subscriber and the Company in relation to the Share Subscription         |
| “Subscription Price”            | HK\$1.12 per Subscription Share   |
| “Subscription Share(s)”         | 446,000,000 new Share(s) to be issued under the Subscription Agreement  |
| “Subscription Specific Mandate” | the specific mandate to be granted by the Shareholders to the Board at the EGM for the allotment and issue of 446,000,000 Subscription Shares |
| “HK\$”                          | the Hong Kong dollars, the lawful currency of Hong Kong   |
| “%”                             | per cent  |

By order of the Board  
**Honbridge Holdings Limited**  
**HE Xuechu**  
*Chairman*

Hong Kong, 7 May 2015

*As at the date of this announcement, the Board comprises Mr. He Xuechu, Mr. Liu Wei, William and Mr. Shi Lixin 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 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 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 appear on the GEM website (www.hkgem.com) for at least seven days after the date of publication and on the website of the Company (www.8137.hk).*