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HONBRIDGE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8137)

CLARIFICATION ANNOUNCEMENT IN RELATION TO THE ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

Reference is made to the English version of the annual results announcement of Honbridge Holdings Limited (the “Company”) for the year ended 31 December 2011.

The board of the directors of the Company (the “Board”) wishes to clarify that the English version of the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position should read as follows with Net current assets and Total assets less current liabilities amended and underlined on page 4 of this clarification announcement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

	<i>Notes</i>	2011 HK\$'000	2010 <i>HK\$'000</i> (Re-presented)
CONTINUING OPERATIONS			
Revenue	4	1,756,598	49,785
Direct operating expenses		(1,740,781)	(50,399)
Other operating income		9,678	4,321
Selling and distribution costs		(851)	(663)
Administrative expenses		(32,036)	(23,752)
Other operating expenses		(50,029)	(44,885)
Share-based payment expenses		(51,861)	(349,883)
Impairment of exploration and evaluation assets	12	(298,247)	—
Impairment of goodwill	13	(31,051)	—
		<hr/>	<hr/>
Operating loss		(438,580)	(415,476)
Finance costs		(52,373)	(32,397)
		<hr/>	<hr/>
Loss before income tax		(490,953)	(447,873)
Income tax credit	6	101,404	—
		<hr/>	<hr/>
Loss after income tax from continuing operations		(389,549)	(447,873)
		<hr/>	<hr/>
DISCONTINUED OPERATIONS			
Profit/(Loss) for the year from discontinued operations		3,001	(1,640)
		<hr/>	<hr/>
Loss for the year		(386,548)	(449,513)
		<hr/>	<hr/>
Other comprehensive income, including reclassification adjustments			
Exchange (loss)/gain on translation of financial statements of foreign operations		(158,573)	101,570
		<hr/>	<hr/>
Other comprehensive income for the year, net of tax		(158,573)	101,570
		<hr/>	<hr/>
Total comprehensive income for the year		(545,121)	(347,943)
		<hr/> <hr/>	<hr/> <hr/>

	<i>Notes</i>	2011 HK\$'000	2010 <i>HK\$'000</i> (Re-presented)
Loss for the year attributable to:			
Owners of the Company		(304,839)	(445,650)
Non-controlling interests		(81,709)	(3,863)
		<u>(386,548)</u>	<u>(449,513)</u>
Total comprehensive income attributable to:			
Owners of the Company		(409,952)	(378,586)
Non-controlling interests		(135,169)	30,643
		<u>(545,121)</u>	<u>(347,943)</u>
Loss per share from continuing and discontinued operations			
— Basic	8	<u>HK(4.96) cents</u>	<u>HK(7.45) cents</u>
— Diluted		<u>N/A</u>	<u>N/A</u>
Loss per share from continuing operations			
— Basic	8	<u>HK(5.01) cents</u>	<u>HK(7.42) cents</u>
— Diluted		<u>N/A</u>	<u>N/A</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	<i>Notes</i>	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		26,757	36,577
Exploration and evaluation assets	12	1,581,000	2,114,385
Prepaid land lease payments		21,700	21,136
Goodwill	13	—	34,910
Deposits for acquisition of business		81,265	78,000
Loans to an acquiring business		219,808	141,503
		<u>1,930,530</u>	<u>2,426,511</u>
Current assets			
Inventories		17,918	8,686
Trade and bills receivables	9	262,138	8,074
Prepayments and other receivables		718,342	11,599
Derivative financial assets		11,295	44,354
Restricted bank deposits		37,498	—
Cash and cash equivalents		35,838	30,046
		<u>1,083,029</u>	<u>102,759</u>
Current liabilities			
Trade and bills payables	10	202,207	8,206
Other payables, accrued expenses and receipts in advance		701,917	28,309
Borrowings		157,678	11,148
Loan from a minority equity holder of a subsidiary		6,541	—
		<u>1,068,343</u>	<u>47,663</u>
Net current assets		<u>14,686</u>	<u>55,096</u>
Total assets less current liabilities		<u>1,945,216</u>	<u>2,481,607</u>

	<i>Notes</i>	2011 HK\$'000	2010 <i>HK\$'000</i>
Non-current liabilities			
Borrowings		—	266
Loans from ultimate holding company		262,390	283,851
Loan from a minority equity holder of a subsidiary		—	6,229
Convertible bonds		226,485	189,333
Deferred tax liabilities		538,725	719,584
		<u>1,027,600</u>	<u>1,199,263</u>
Net assets		<u>917,616</u>	<u>1,282,344</u>
EQUITY			
Equity attributable to the owners of the Company			
Share capital		6,206	6,126
Reserves		550,991	780,630
		<u>557,197</u>	<u>786,756</u>
Non-controlling interests		360,419	495,588
		<u>360,419</u>	<u>495,588</u>
Total equity	<i>11</i>	<u>917,616</u>	<u>1,282,344</u>

And that the English version of section II Resources Estimation under the heading Progress of Acquisition of Brazil Iron Mining Project Sul Americana de Metais S.A. should read as follows:

II. Resources Estimation

The detailed exploration drilling of Block 8 has been completed on 21 January 2011. Geologica e Sondagens Ltda, the largest drilling company in Brazil, has drilled a total of 462 drill holes, which lead to a cumulative length of 65,627.69 meters. SGS-Geosol Laboratorios Ltda, the world's leading testing company, applied testing on drilling cores; Golder Associate, the world's leading mining consultancy, made the following resources estimation based on the Australian JORC standard with the cut-off grade (14%): Measured Resources — 1.135 billion tons; Indicated Resources — 1.479 billion tons; and Inferred Resources — 1 million tons, total RoM: 2.6 billion tons (average detected grade: 20.3%). According to the estimation of experts, the actual minable resources can be higher than 95%. According to the beneficiation results, every 3.6 tons of RoM can produce one ton of concentrate, and Block 8 itself can already produce 720 million tons of concentrate. If the annual capacity is 25 million tons, its life-span will be about 27 years.

SAM has only done a preliminary exploration in Block 7 with a total of 53 drilling holes, which leads to a cumulative length of 6,617 meters. Coffey Mining, a well-known mining consultancy in the world, made the following resources estimation based on the Australian JORC standard with cut-off grade (15%): Indicated Resources — 25.2 million tons; Inferred Resources — 1.031 billion tons; total RoM: 1.056 billion tons; and Prospective Resources — approximately 2 billion tons, total RoM in Block 7: 3 billion tons. The distance of Block 7 and 8 is 25 km, which their mineral types are very similar. Block 7 has not done the infill drilling program yet.

SAM only did general screening and exploratory drilling in the other seven mineral blocks (5, 6, 9, 10, 11, 12 and 13), and have found the existence of iron ore mineral body which leads to a brightening prospects, the iron ore grade of these blocks are higher than those in Block 7 and 8, it is very likely that its resources estimation is more than several billion tons.

SAM just gained a new exploration right outside the existing mining area, and Vale also received few of new exploration rights nearby, which shows that the world's largest iron ore company has also begun to endorse this area.

There are a number of mines which have more than 100 million tons of deposits around SAM's deposits. They are unable to afford substantial large infrastructure facilities independently, and are likely to merge by other large-scale mining projects. Therefore, SAM as a whole will have the opportunity to become a huge iron ore project which has more than 10 billion tons of iron ore resources.

Save as disclosed in this announcement, the Company confirms that all the information and figures in the annual results announcement are correct in all aspects and remain unchanged.

On behalf of the Board
LIU Wei, William
Executive Director and CEO

Hong Kong, 29 March 2012

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. Yan Weimin and Mr. Ang Siu Lun Lawrence as non-executive directors; 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 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.

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