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HONBRIDGE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8137)

SUPPLEMENTAL AGREEMENT TO THE MAJOR DISPOSAL IN RELATION TO THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF HILL TALENT LIMITED AND CANCELLATION OF OFF-MARKET SHARE REPURCHASE

SUPPLEMENTAL AGREEMENT

The Board announced that on 1 February 2013 (after trading hours), the Company and the Purchaser entered into the Supplemental Agreement after arm's length negotiations to amend certain terms and conditions of the Disposal Agreement including (i) the payment terms of the Consideration; and (ii) the conditions precedent to Completion.

Under the Supplemental Agreement, the Consideration in the sum of HK\$715 million would be settled in the following manner:

- (i) as to HK\$111.15 million in cash by the Purchaser as refundable deposit upon signing of the Supplemental Agreement;
- (ii) as to HK\$400 million by the Purchaser as at Completion to transfer to the Company the outstanding 2009 Convertible Note with an aggregate outstanding amount of HK\$400 million for repurchase and cancellation at the Conversion Price of HK\$1.00 per Conversion Share; and
- (iii) as to HK\$203.85 million by a three-year freely negotiable interest-free non-recourse secured promissory note payable on presentation issued by the Purchaser in favour of the Company.

GENERAL

As a result of entering into of the Supplemental Agreement, the Consideration or any part thereof will not be paid by Share Repurchase and thus, certain conditions precedent in the Disposal Agreement have to be amended correspondingly. The Disposal will therefore not be subject to the approval from the Executive for off-market share repurchases pursuant to the Repurchase Code. Completion is now subject

to fulfillment or waiver of all conditions precedent as set out in this announcement.

Save as disclosed in this announcement, all other major terms of the Disposal Agreement as prescribed in the Announcement shall remain in full force and effect. Shareholders are advised to read the Announcement in conjunction with this announcement so as to understand all the major details of the Disposal.

Reference is made to the announcement issued by Honbridge Holdings Limited (the “**Company**”) dated 4 January 2013 (the “**Announcement**”) in relation to the disposal of the entire issued share capital of Hill Talent and the off-market share repurchase. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

INTRODUCTION

On 4 January 2013, the Company (as vendor) and the Purchaser entered into the Disposal Agreement, pursuant to which, among others, the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Sale Shares which represent the entire issued share capital of Hill Talent, for the Consideration, being HK\$715 million. According to the Disposal Agreement, the Consideration would be satisfied by the Purchaser by transferring to the Company (i) the Repurchase Shares at the Repurchase Price; and (ii) the 2009 Convertible Note at the Conversion Price, for repurchase and cancellation as set out in the Disposal Agreement.

Upon further negotiations among the parties under the Disposal Agreement, on 1 February 2013 (after trading hours), the Company and the Purchaser entered into a supplement agreement (the “**Supplemental Agreement**”) to amend certain terms and conditions of the Disposal Agreement including (i) the payment terms of the Consideration; and (ii) the conditions precedent to Completion.

THE SUPPLEMENTAL AGREEMENT

Amendments to the payments terms of the Consideration

The Consideration shall be satisfied by the Purchaser in the following manner:

- (i) as to HK\$111.15 million in cash by the Purchaser as refundable deposit upon signing of the Supplemental Agreement;
- (ii) as to HK\$400 million by the Purchaser as at Completion to transfer to the Company the outstanding 2009 Convertible Note with an aggregate outstanding amount of HK\$400 million for repurchase and cancellation at the Conversion Price of HK\$1.00 per Conversion Share; and
- (iii) as to HK\$203.85 million by a three-year freely negotiable interest-free non-recourse secured promissory note payable on presentation issued by the Purchaser in favour of the Company (the “**Promissory Note**”).

As a collateral security for the performance of the Purchaser's payment obligation under the Promissory Note or any part thereof, the Purchaser will enter into a security agreement with the Company under which the Purchaser grants to the Company a first position lien and security interest in a total number of 226,500,000 shares of the Company owned by the Purchaser ("**Charged Shares**") and the Purchaser further undertakes to the Company to deposit the Charged Shares with an escrow agent and instruct the escrow agent to sell the Charged Shares on the open market and apply the proceeds of sale of the Charged Shares for payment of the outstanding principal amount of the Promissory Note from time to time during the term of the Promissory Note. For the avoidance of doubt, once the Purchaser has delivered the Promissory Note to the Company and deposited the Charged Shares with the escrow agent, the Purchaser is deemed to have discharged all its payment obligation under the Promissory Note. The entire proceeds of sale of all the Charged Shares will be applied for payment of the principal amount of the Promissory Note in the manner set out above. Whether the proceeds of sale of all the Charged Shares are higher or lower than the principal amount of the Promissory Note, the Company shall be entitled to the entire sale proceeds.

For the avoidance of doubt, the Purchaser shall maintain the voting rights attached to the Charged Shares at all times.

Amendments to the conditions precedent to the completion of the Disposal Agreement

The conditions to the Disposal Agreement have been amended as follows:

- (i) the Independent Shareholders having approved at the EGM the Disposal Agreement and the transactions contemplated thereunder in accordance with the GEM Listing Rules and other applicable laws, rules and regulations;
- (ii) the approval of the Disposal Agreement and the transactions contemplated thereunder from the Stock Exchange, if necessary;
- (iii) obtaining by the Purchaser of all necessary registrations, confirmations, consents and approvals in relation to the Disposal and the transactions contemplated under the Disposal Agreement; there having been no laws, regulations, orders, notices, judgments, restrictions materially or adversely affecting the Disposal and the transactions contemplated under the Disposal Agreement or the Disposal Group;
- (iv) all representations, warranties and undertakings given by the parties under the Disposal Agreement remain true, accurate and not misleading in all aspects; and
- (v) there having been no material breach of the terms and conditions of the Disposal Agreement by the parties before the date of Completion.

In the event that the above Conditions have not been fulfilled or waived (other than Conditions (i), (ii) and (iii) which cannot be waived) by the Purchaser within 210 days from the date of signing of the Disposal Agreement (the “**Long Stop Date**”) or such later date as the Company and the Purchaser may agree, the Disposal Agreement shall lapse and thereafter neither party to the Disposal Agreement shall have any rights or obligations towards each other except in respect of any antecedent breach save that the refundable deposit shall be fully returned to the Purchaser without any interest within seven (7) working days from the Long Stop Date.

The Directors confirm that as at the date of this announcement, none of the conditions precedent has been fulfilled and the Purchaser has no intention to waive the condition which is capable of being waived and no notice in respect of termination of the Disposal Agreement had been served by the Purchaser.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The Directors consider that the change of manner of payment of part of the Consideration from Share Repurchase to payment by way of a combination of cash and Promissory Note will help the Company to improve its capital and liquidity position for its business development in the Brazil SAM Iron Mine.

In light of the above, the Directors take the view that the terms of the Supplemental Agreement in relation to the manner of payment of the Consideration under the Disposal and the corresponding amendments to the conditions precedent are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As the Company and the Purchaser have agreed not to settle part of the Consideration by way of off-market Share Repurchase pursuant to the amendments made under the Supplemental Agreement, there will be no change to the existing shareholdings of the Shareholders.

GENERAL

As stated in the Announcement, one of the conditions precedent to the Disposal is the passing of a resolution by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at the EGM approving the Disposal Agreement, the Share Repurchase and the transactions contemplated thereunder in the manner required under the GEM Listing Rules and the Repurchase Code.

As a result of the amendments made in the Supplemental Agreement, the Company and the Purchaser agreed that the Consideration shall be settled partly in cash, partly by the Convertible Note Repurchase and partly by the Promissory Note instead of by the Share Repurchase and the Convertible Note Repurchase as disclosed in the Announcement. Therefore, the Disposal will no longer be subject to the approval from the Executive for off-market share repurchases pursuant to Rule 2 of the Repurchase Code.

In this connection, the conditions precedent under the Disposal Agreement were amended to the effect that the Completion of the Disposal Agreement is conditional upon the passing of an ordinary resolution by the Independent Shareholders at the EGM approving the Disposal Agreement and transactions contemplated thereunder.

In light of the above, the Company will no longer be required to form an independent board committee to consider the Disposal Agreement and the transactions thereunder and thus, the circular relating to the Disposal will not contain a letter from the Joint Independent Financial Advisers, a letter from the Independent Board Committee and other information required under the Repurchase Code.

Save as disclosed herein, all other major terms of the Disposal Agreement as prescribed in the Announcement shall remain in full force and effect. Shareholders are advised to read the Announcement in conjunction with this announcement so as to understand all the major details of the Disposal.

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

Hong Kong, 1 February 2013

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.

The Directors jointly and severally accept full responsibilities for the accuracy of the information contained in this announcement, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement, have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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