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HONBRIDGE HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8137)

POSITIVE PROFIT ALERT

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the SFO.

The Board of the Company wishes to inform the shareholders of the Company and potential investors that, based on the currently available information which includes, but without limitation to, the unaudited management accounts of the Group, the Group is expected to record a significant profit for the six months ended 30 June 2016 as compared to a loss for the six months ended 30 June 2015. The significant profit was mainly attributable to the decrease in the fair value of contingent consideration payable to Votorantim, the vendor of SAM. The fair value gain was partially set-off by the impairment loss on exploration and evaluation assets recognised during the six months ended 30 June 2016.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Honbridge Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the currently available information which includes, but without limitation to, the unaudited management accounts of the Group, the Group is expected to record a significant profit for the six months ended 30 June 2016 as compared to a loss for the six months ended 30 June 2015. The significant profit was mainly attributable to the decrease in the fair value of contingent consideration payable to Votorantim S.A. (“**Votorantim**”), the vendor of Sul Americana de Metais S.A. (“**SAM**”). The fair value gain was partially set-off by the impairment loss on exploration and evaluation assets recognised during the six months ended 30 June 2016.

Decrease in contingent consideration

Reference is made to the Company’s announcements dated 13 May 2016 in relation to the Settlement Agreement entered into on 12 May 2016 (Brazil time) (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement.

After the completion of the acquisition of SAM on 28 March 2013, the Group is committed to pay Votorantim the outstanding consideration, i.e. the third instalment of US\$115 million, the fourth instalment of US\$100 million and the fifth instalment of US\$100 million to Votorantim upon completion of approvals of required licenses and permits, commencement of port operation and commencement of mining production respectively.

On 12 May 2016 (Brazil time), the Company, Infinite Sky Investments Limited, New Trinity Holdings Limited, SAM, Votorantim entered into a Settlement Agreement. Under the Settlement Agreement, the Company is no longer liable to pay the third to fifth instalment with the total amount of US\$315 million but is committed to pay a maximum aggregate amount of US\$60 million contingent payment to Votorantim upon occurrence of certain events. The decrease in the consideration payables results in approximately HK\$1,000 million fair value gain for the six months ended 30 June 2016.

Impairment on Exploration and Evaluation Assets

An impairment on exploration and evaluation assets was recognised during the six months results ended 30 June 2016 mainly due to the increase in the estimated operating cost (“**OPEX**”) and capital expenditure (“**CAPEX**”) of the SAM iron ore project because of the appreciation of Brazilian Reais against the US dollar.

The information contained in this announcement is based on a preliminary assessment made by the management of the Company on the unaudited management accounts and the information currently available. The information in this announcement has not been reviewed by the auditors of the Company or the audit committee of the Board and the actual interim results of the Group may differ from the information disclosed herein.

Investors are advised to read the announcement expected to be released by the Company on 9 August 2016 in respect of the interim results for the six months ended 30 June 2016.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Honbridge Holdings Limited
YEUNG Ho Ming

Hong Kong, 4 August 2016

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 nonexecutive directors and Mr. Chan Chun Wai, Tony, Mr. Ma Gang and Mr. Ha Chun 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 or deceptive; (2) there are no other matters the omission of which would make any statement herein or 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 “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.8137.hk.