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## **HONBRIDGE HOLDINGS LIMITED**

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

**(stock code: 8137)**

### **ENTERING INTO LONG TERM IRON CONCENTRATE SUPPLY AND COOPERATION FRAMEWORK AGREEMENT WITH CAPITAL STEEL HOLDING LIMITED**

The Board is pleased to announce that, on 29 March 2011, a legally binding Framework Agreement was entered into between the Company and Capital Steel.

#### **THE FRAMEWORK AGREEMENT**

Pursuant to the Framework Agreement, Capital Steel will disburse to the Company a maximum of US\$1,500,000,000 as prepayment, to secure the long term supply of 10,000,000 tonnes of iron concentrate per annum at a discount to market price by the Company after the Mining Production Commencement Date.

Within 36 months after the Mining Production Commencement Date, the Company will repay the Prepayment and related interests by supply of iron concentrate to Capital Steel, with one third of the principal and interests to be repaid every year.

Capital Steel will be granted with the Option upon exercise of which, Capital Steel will be able to convert the Prepayment to be owed by the Company into equity interest of the Company. The conversion price of the Option Shares upon exercise of the Option is set at a 10% discount to the average closing market price of the Company traded on the Stock Exchange for the last 10 trading days prior to the exercise of the Option requested by Capital Steel. The exercise of the Option is on the condition that Capital Steel will hold not more than 30% equity interest in the Company. Any outstanding balance of the Prepayment and related interests after the Prepayment and the related interests are converted into Option Shares upon exercise of the Option by Capital Steel will be repaid by supply of iron concentrate, or by issue of convertible bonds of the Company, terms of which are yet to be determined and are subject to a future supplemental agreement to be agreed between Capital Steel and the Company and the issue of the convertible bond is subject to the necessary GEM Listing Rules requirements.

\* For identification purpose only

If the Framework Agreement is terminated for any reasons, any outstanding balance of the Prepayment that Capital Steel already disbursed to the Company and the related interests will become due immediately. The Company is required to repay the amount to Capital Steel within 5 business days after the termination of the Framework Agreement. If the Company is not able to make the repayment in cash, the Company is required to repay the outstanding balance of the Prepayment and the related interest by issuing the Termination Shares to Capital Steel at an issue price equivalent to the average closing market price of the Shares of the Company traded on the Stock Exchange for the last 20 trading days from the expiry date of the Repayment Period for repayment of the balance of the Prepayment.

To the best understanding of the Directors, it is the mutual understanding of the Company and Capital Steel that the maximum number of Option Shares, Termination Shares and consideration shares to be issued by the Company for the possible acquisition of iron ore mines from Capital Steel (as detailed in section headed “Major terms and conditions of the Framework Agreements – item 7” of this announcement) to be issued to Capital Steel in aggregate will not exceed 30% of the total issued share capital of the Company at the time of such issue.

#### **LISTING RULES IMPLICATIONS**

The grant of the Option by the Company to Capital Steel, the exercise of which is at the discretion of Capital Steel under the Framework Agreement is to be classified as if it has been exercised pursuant to Rule 19.74(1) of the GEM Listing Rules and is subject to Shareholders approval. However, as at the date of this announcement, as the issue price of the Option Shares and the number of the Option Shares to be issued to Capital Steel are yet to be determined, approval will be sought from the Shareholders at general meeting for the issue of the Option Shares at the time when the Option is exercised by Capital Steel and the issue price of the Option Shares and the number of Options Shares have already been determined.

The Company will be able to comply with the disclosure and approval requirements in accordance with the GEM Listing Rules upon the exercise of the Option.

If the Framework Agreement is terminated for any reasons and the Company is not able to repay any outstanding balance of the Prepayment and the related expenses in cash, the Company is required to repay the balance by issuing of the Termination Shares. According to the GEM Listing Rules, issue of the Termination Shares is subject to approval by the Shareholders at general meeting. However, as at the date of this announcement, as the issue price of the Termination Shares and the number of the Termination Shares to be issued to Capital Steel are yet to be determined, approval will be sought from the Shareholders for the issue of the Termination Shares at the time when the Termination share are required to be issued and the issue price of the Termination Shares and the number of Termination Shares can be determined.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 29 March 2011 pending the release of this announcement. The Company received an updates on the resources quantity and resources category of Block 8 from Golder on 29 March 2011 for the purpose of Resource Confirmation pursuant to the Share Purchase Agreement. Trading in the Shares will remain suspended pending the release of an announcement of the Company in relation to the update on estimated mineral resources and valuation of the Project, which is price sensitive in nature.

**Shareholders and potential investors should note that completion of the Framework Agreement 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.**

Reference is made to (i) the announcement of the Company dated 16 April 2010 in relation to the Acquisition; (ii) the circular of the Company dated 5 November 2010 (the “Circular”) in relation to, among others, the Acquisition, which was subsequently approved by the Shareholders at the extraordinary general meeting dated 23 November 2010 as disclosed in the notice of extraordinary general meeting published on the same date; and (iii) the announcement of the Company dated 24 December 2010 regarding the update on estimated mineral resources and valuation of the Project.

On 29 March 2011, a legally binding Framework Agreement was entered into by the Company and Capital Steel.

## **THE FRAMEWORK AGREEMENT**

Date: 29 March 2011

Parties: (1) Capital Steel Holdings Limited  
(2) the Company

To the best of the directors’ knowledge, information and belief having made all reasonable enquiries, Capital Steel 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 Framework Agreement:**

1. Iron ore supply: starting from the Mining Production Commencement Date, the Company will supply Capital Steel or any party designated by Capital Steel 10,000,000 tonnes of iron concentrate annually, for a period of 15 years.

Quality specifications of iron concentrate: Fe>65%, silicon dioxide<2.5%, aluminium oxide<1.0%, sulphur, phosphorus<0.07% or any other quality indicators requested by Capital Steel, which are agreed in writing by both parties.

Iron concentrate to be supplied to Capital Steel should be priced at the following standard discounts:

- If the FOB purchase price for the iron concentrate with same quantity at major ports in Brazil is US\$150.00 or above, a discount of 9% will be granted;
  - If the FOB purchase price for the iron concentrate with same quantity at major ports in Brazil is between US\$110 to US\$149.99, a discount of 7% will be granted;
  - If the FOB purchase price for the iron concentrate with same quantity at major ports in Brazil is between US\$70 to US\$109.99, a discount of 5% will be granted;
  - If the FOB purchase price for the iron concentrate with same quantity at major ports in Brazil is lower than US\$70, no discount is granted. However, the Company will bear the loading charges including stowed and trimmed charges.
2. Prepayment: Capital Steel will disburse to the Company a maximum of US\$1,500,000,000 as prepayment, as a precedent condition to secure the long term iron concentrate supply at a discount to market price by the Company after the Mining Production Commencement Date. Such Prepayment will be paid by instalments after phase one of the Project has reached certain level.

When the phase one of the Project (estimated annual production of approximately 25 million tons iron concentrate) obtains all required approvals from the Brazil government for mining, beneficiation, pipeline transportation and the port construction, and with the consent of Capital Steel, Capital Steel will disburse the first stage Prepayment of US\$200,000,000 to the Company within 10 business days.

The remaining US\$1,300,000,000 will be disbursed to the Company on a monthly basis, according to the total investment of the Project, actual progress of construction, and the related actual amounts payable.

Based on the current estimate of the total investment of the Project of approximately US\$3,000,000,000, the monthly Prepayment of Capital Steel according to the progress of construction would be equal to approximately 46% of the total actual payments payable by SAM to the construction developers by reference to the actual construction progress.

The Prepayment is interest-bearing at a rate of USD LIBOR + 6% per annum. Interest is levied non-compound annually, until the principal is repaid by the supply of iron concentrate.

The Company guarantees that all Prepayment will be used solely for the development of the Project. Otherwise, Capital Steel has the right to terminate this Framework Agreement and the Company has to repay the Prepayment pursuant to terms as set out in the Framework Agreement and indemnify the loss suffered by Capital Steel.

If the Company or related project companies obtain financing by other means, so that the shortage of funding for the development of the Project is less than US\$1,500,000,000, the Prepayment amount by Capital Steel will be 2/5 of the shortage of funding. If there is no shortage, then there is no need for prepayment. But the discount for iron concentrate as disclosed in item 1 above still applies.

3. Capital Steel has the right to delay or reject the disbursement of Prepayments if the following conditions are not fulfilled:
  - (a) The control of SAM and its mining rights have been legally and effectively transferred to the Company; and
  - (b) All required approvals in relation to this cooperation between Capital Steel and the Company have been obtained from respective authorities and government bodies.
4. Repayment of the Prepayment: within 36 months after Mining Production Commencement Date, the Company will repay all the Prepayment and related interests by the supply of iron concentrate to Capital Steel, with one third of the principal and interests to be repaid every year. Capital Steel will pay for the amounts that exceed the Prepayment if the supply amount of iron concentrate is larger than the prepaid amount. It is possible that one shipment of iron concentrate is used to repay the Prepayment and another shipment of iron pellet ship is settled based on common market practice, by reference to the iron concentrate prices at that time and as agreed by both parties.

Capital Steel will be granted with the Option upon exercise of which, Capital Steel will be able to convert the Prepayment to be owed by the Company by the following repayment method: The Prepayment of Capital Steel can be converted into equity interest in the Company. The conversion price of the Option Shares upon exercise of the Option is set at a 10% discount to the average closing market price of the Shares of the Company traded on the Stock Exchange for the last 10 trading days prior to exercise of the Option requested by Capital Steel. The exercise of the Option is on the condition that Capital Steel will hold not more than 30% equity interest in the Company as. Any outstanding balance of the Prepayment and related interests after the Prepayment and the related interests are converted into Option Shares upon exercise of the Option by Capital Steel will be repaid by supply of iron concentrate, or by issue of convertible bonds of the Company, terms of which are yet to be determined and are subject to a future supplemental agreement to be agreed between Capital Steel and the Company and the issue of the convertible bond is subject to the necessary GEM Listing Rules requirements.

If the Framework Agreement is terminated for any reasons, any outstanding balance of the Prepayment that Capital Steel already disbursed to the Company and the related expenses will become due immediately. The Company is required to repay the amount to Capital Steel within 5 business days after the termination of the Framework Agreement (the “**Repayment Period**”). If the Company is not able to make the repayment in cash, the Company is required to repay the outstanding balance of the Prepayment and the related interests by issuing the Termination Shares to Capital Steel at an issue price equivalent to average closing market price of the Shares of the Company traded on the Stock Exchange for the last 20 trading days from the expiry date of the Repayment Period for repayment of the balance of the Prepayment.

5. Preferential Right for Capital steel to acquire additional iron ore concentrate and to participate in the development of the blocks of SAM.

The Company offers Capital Steel a right that Capital Steel may provide more than the Prepayment amount in order to obtain more supply of iron concentrate at discount. For every additional US\$1,500,000,000 provided by Capital Steel, roughly additional 10,000,000 tonnes of iron concentrate per annum can be obtained. The discount rates for the price of iron concentrate will be the same as stated in item 1 above.

If other fund providers to the Project do not require the supply of iron concentrate, Capital Steel can have the priority to SAM's iron concentrate supply. Prices are also at the same discount rates as stated in item 1 above.

In the event that Capital Steel has excess demand, Capital Steel has agreed to purchase any amount exceeding 10,000,000 tonnes of iron concentrate per year (as specified in item 1 to this section) from the Company in the same terms and conditions offered in this Framework Agreement.

The Company has also agreed to grant a preferential right to Capital Steel to participate in the development of other blocks of SAM.

6. Access to information: After signing the Framework Agreement, the Company will grant access of all data and information of the Project to Capital Steel. Capital Steel may send no more than 3 mining technical staff to work in SAM, in order to monitor the progress of the Project.
7. Other cooperation: Capital Steel may inject other resources such as iron ore mines it holds to the Company. If such iron ore mines are successfully injected to the Company, their valuation will be performed by international valuation companies. The Company will issue new Shares for the consideration. Capital Steel will hold no more than 30% equity interest of the Company after the issue of new Shares. If the valuation of the injected iron ores mines is more than 30% of the equity value of the Company that is issued to Capital Steel, then the surplus can be settled by ways of issue of convertible bond of the Company or other mean. Such cooperation will be subject to further negotiation, supplemental agreement between the two parties and the necessary GEM Listing Rules requirements. Further announcement will be made by the Company in accordance with the GEM Listing Rules requirement if this occurs.

To the best understanding of the Directors, it is the mutual understanding of the Company and Capital Steel that the maximum number of Option Shares, Termination Shares and consideration to be issued by the Company for the possible acquisition of iron ore mines from Capital Steel (as detailed in item 7 above) to be issued to Capital Steel in aggregate will not exceed 30% of the total issued share capital of the Company at the time of such issue.



## **INFORMATION ON THE COMPANY**

The Company is an investment holding company with its shares listed on the GEM. The Company is principally engaging in mining, refining and trading of silicon and research and development of highly purified silicon for solar cells.

## **INFORMATION OF CAPITAL STEEL**

Capital Steel is ultimately owned as to approximately 91.51% by Shougang Group which is incorporated in PRC and being one of the leading steel producers in the PRC.

Capital Steel established in Beijing in the PRC is an independent third party of the Company.

## **REASONS FOR ENTERING INTO THE FRAMEWORK AGREEMENT**

On 5 March 2010, the Company and VNN have entered into the Share Purchase Agreement to acquire 100% equity interest of SAM. As disclosed in the announcement dated 24 December 2010, based on the analysis of the drilling data and testing results on Block 8 up to 20 October 2010, Golder's JORC compliant mineral resources estimate is at least 2,459 million tonnes of ROM. Based on an earlier analysis of the drilling data and testing results on Block 7 up to 20 May 2010 (included in the Technical Report of the Circular), Coffey Mining's JORC compliant mineral resources estimate is at least 1,056 million tonnes of ROM. The estimate of the total JORC compliant Measured Resources, Indicated Resources and Inferred Resources of the two blocks are at least 3,500 million tonnes of ROM.

The large scale intensive drilling program on Block 8 of the Project has been completed on 21 January 2011. A total of 459 drilling holes totalling 65,410 metres have been completed in Block 8. The resources quantity and resources category of Block 8 will be released after the technical adviser appointed by SAM, Golder, updates the estimate. In this regards, the Directors are confident and optimistic on the resources potential of the Project.

SAM plans to construct a plant in Block 8 and/or Block 7 for mining, beneficiation, pipeline transportation and port with phase one annual production of 25 million tons and Fe>65% iron concentrate. The Company and SAM are seeking stable demand for the iron concentrate products.

Since the consideration payment for the acquisition of 100% equity interest of SAM is between US\$386.25 million to US\$405 million, the initial investment for the phase one development of the Project with annual production capacity of 25 million tons of iron concentrate amount is estimated to be approximately US\$3,000 million. The Company has been seeking cooperation opportunity with large scale iron and steel enterprises, large scale construction developers and funding from banks for the fund raising. Pursuant to the Framework Agreement and the strategic cooperation agreement entered into by the Company and 新汶礦業集團有限責任公司 (Xinwen Mining Group Co., Ltd) on 26 March 2010, the Company has conditionally secured funding of approximately US\$2,000,000,000 for the development of the Project. Such amount represents approximately 67% of the initial investment for the Phase one development of the Project.

Capital Steel is a subsidiary under the Shougang Group. Its principle activities are iron and steel, coking coal, non-ferrous metals, finance and railway. Its subordinate enterprises include Tong Hua Iron & Steel Group, Yi Li Iron & Steel Group. Capital Steel holds several large scale enterprises and mineral resources in mainland China and overseas such as Australia and Congo. Shougang Group is one of the largest iron and steel enterprises in China with net assets of RMB100 billion. Since the self-produced iron concentrate is unable to meet the domestic demand, there is a huge demand for imported iron ores concentrate.

Considering the strong synergy and the mutual benefits in the iron ores sector, and the long term development of the Company and the Project, the Company and Capital Steel has entered into the Framework Agreement.

The Company will continue to secure funding for the acquisition of SAM and the development of the Project. After release of this announcement, the Company will commence deal related roadshow activities in preparation for the possible equity fund raising.

### **LISTING RULES IMPLICATIONS**

The grant of the Option by the Company to Capital Steel, the exercise of which is at the discretion of Capital Steel under the Framework is to be classified as if it has been exercised pursuant to Rule 19.74(1) of the GEM Listing Rules and is subject to Shareholders approval. However, as at the date of this announcement, as the issue price of the Option Shares and the number of the Option Shares to be issued to Capital Steel are yet to be determined, approval will be sought from the Shareholders at general meeting for the issue of the Option Shares at the time when the Option is exercised by Capital Steel and issue price of the Option Shares and the number of Options Shares have already been determined.

The Company will be able to comply with the disclosure and approval requirements in accordance with the GEM Listing Rules upon the exercise of the Option.

If the Framework Agreement is terminated for any reasons and the Company is not able to repay any outstanding balance of the Prepayment at the related expenses in cash, the Company is required to repay the balance by issuing of the Termination Shares. According to the GEM Listing Rules, issue of the Termination Shares is subject to approval by the Shareholders at general meeting. However, as at the date of this announcement, as the issue price of the Termination Shares and the number of the Termination Shares to be issued to Capital Steel are yet to be determined, approval will be sought from the Shareholders for the issue of the Termination Shares at the time when the Termination share are required to be issued and the issue price of the Termination Shares and the number of Termination Shares can be determined.





“Block 7”	the area represented by the Exploration Permit numbers 830.018/2006, 830.019/2006, 830.038/2006, 832.587/2006 and 831.519/2008, the five applications represented by the numbers 830.738/2009, 830.739/2009, 830.740/2009, 830.741/2009 and 830.742/2009 and a bid represented by the number 833.189/2005
“Block 8”	the area represented by the Exploration Permit numbers 831.029/2007 and 831.028/2007 and the four bids represented by the numbers 832.084/2006, 832.085/2006, 832.086/2006 and 832.087/2006
“Circular”	the circular of the Company dated 5 November 2010;
“Coffey Mining”	Coffey Mining Pty Ltd, a global specialist consultancy firm which provides a wide range of technical services and products to all sectors of the international mining industry;
“Company”	Honbridge Holdings Limited, a company incorporated in the Cayman Islands with limited liabilities, the Shares of which are listed on the GEM;
“Controlling Shareholder”	has the meaning ascribed to it under the GEM Listing Rules;
“Directors”	the directors of the Company;
“Exploration Permits”	the exploration permits held by SAM and its affiliates which will be transferred to SAM as set out in the Share Purchase Agreement and any other exploration permits acquired by SAM after the date of the Share Purchase Agreement, but excluding any exploration permits relinquished after the date of the Share Purchase Agreement
“FOB”	free on board;
“Framework Agreement”	the Long Term Iron Concentrate Supply and Cooperation Framework Agreement dated 29 March 2011 entered into between the Company and Capital Steel;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM;
“Golder”	Golder Associates Brasil Consultoria e Projetos Ltda., the mining technical adviser, has been commissioned to estimate the mineral resources and reserves for the Project and has prepared a progress technical report;

“Group”	the Company and its subsidiaries;
“Indicated Resources”	as defined by reference to the JORC Code, that part of a Iron Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed. An Indicated Resource has a lower level of confidence than that applying to a Measured Resource, but has a higher level of confidence level than that applying to an Inferred Resource;
“Inferred Resources”	as defined by reference to the JORC Code, that part of a Iron Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability. An Inferred Resource has a lower level of confidence than that applying to an Indicated Resource;
“Infinite Sky”	Infinite Sky Investments Limited, a company incorporated in the British Virgin Islands, a direct wholly-owned subsidiary of the Company;
“Initial Scope of Work”	the work in respect of resource definition at Block 7 and Block 8 and the consideration of mining, processing, infrastructure and port facility alternatives as set out in the Share Purchase Agreement;
“Iron Mineral Resource(s)”	as defined by reference to the JORC Code, a concentration or occurrence of material of intrinsic economic interest in or on the Earth’s crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Iron Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Iron Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories
“JORC”	Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia;

“JORC Code”	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources as prepared by JORC
“Lit Mining”	Lit Mining Cooperatief U.A., a Netherlands cooperative (cooperatie) and an indirect wholly-owned subsidiary of VNN; Lit Mining is an investment holding company;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Measured resources”	as defined by reference to the JORC Code, that part of a Iron Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and/or grade continuity. Mineralisation may be classified as a Measured Resource when the nature, quality, amount and distribution of data are such as to leave no reasonable doubt, in the opinion of the competent person determining the Iron Mineral Resource, that the tonnage and grade of the mineralisation can be estimated to within close limits and that any variation from the estimate would be unlikely to significantly affect potential economic viability;
“Mining Production Commencement Date”	the later of (a) the closing date (as defined in the Circular), (b) approval date (as defined in the Circular), and (c) the date by which an aggregate of 100,000 metric tons of pellet feed from any of the areas represented by the exploration permits (as defined in the Circular) has been shipped commercially;
“Option”	being the option granted by the Company to Capital Steel as detailed in the section headed Major Terms and Conditions of the Framework Agreement – item 4 of this announcement;
“Option Shares”	those Shares to be issued by the Company upon exercise of the Option;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan;
“Prepayment”	being the maximum amount of US\$1,500,000,000 to be disbursed by Capital Steel to secure the long term iron concentrate supply at a discount to market price after Mining Production Commencement Date.

“Project”	an integrated mine-pipeline-port project designed by SAM to produce 25 million tons per annum of pellet feed with a life of mine of at least 20 years;
“Repayment Period”	being the repayment period as detailed in the section headed Major Terms and Conditions of the Framework Agreement – item 4 of this announcement
“Resource Confirmation”	the scenario where the resource set out in the Technical Report is at least (i) 0.7 billion metric tons of 20% iron of Measured Resource, and (ii) 2.8 billion metric tons of 20% iron of Measured Resource and Indicated Resource in aggregate or such lower numbers as Infinite Sky may accept at its sole discretion
“ROM”	Run-Of-Mine or as-mined material
“SAM”	Sul Americana de Metais S.A., a company incorporated in Brazil and an indirect wholly-owned subsidiary of Votorantim Novos Negocios Ltda.;
“SAM Shares”	the entire issued share capital of SAM which consist of 9,999 common shares and the Golden Share
“Share(s)”	the share(s) of HK\$0.01 each in the issued share capital of the Company;
“Shareholder(s)”	the holder(s) of Shares;
“Share Purchase Agreement”	the share purchase agreement dated 5 March 2010 entered into between Lit Mining and VNN as the sellers, Esperento S.à r.l. and Mineral Ventures Participações Ltda.; Infinite Sky, as the buyer, New Trinity Holdings Limited, and the Company in relation to the Acquisition;
“Shougang Group”	Shougang Group, incorporated in PRC, is one of the leading steel producers in the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Technical Report”	a resource estimate of Block 7 and Block 8 (as defined in the Circular) in accordance with the JORC Code based on the Initial Scope of Work and to be prepared by an independent international geological consulting firm to be jointly engaged by VNN and Lit Mining, and Infinite Sky

“Termination Shares”	those Shares to be issued by the Company upon termination of the Framework Agreement
“VNN”	Votorantim Novos Negócios Ltda., a company incorporated in Brazil and the venture capital/new business development division of Grupo Votorantim;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and;
“%”	per cent.

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

Hong Kong, 29 March 2011



*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 “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; (2) there are no other matters the omission of which would make any statement in 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 GEM website at [www.hkgem.com](http://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](http://www.8137.hk)*