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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Honbridge Holdings Limited (the “Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

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## HONBRIDGE HOLDINGS LIMITED

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

(Stock Code: 8137)

### PLACING OF NEW SHARES UNDER SPECIFIC MANDATE; SUBSCRIPTION FOR NEW SHARES UNDER SPECIFIC MANDATE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Placing Agent



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A notice convening the extraordinary general meeting of the Company (the “EGM”) to be held on Tuesday, 16 June 2015 at 10 a.m. at Unit 5402, 54th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong is set out on pages 21 to 23 of this circular.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company’s share registrar, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

This circular 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 posting and on the website of Honbridge Holdings Limited at [www.8137.hk](http://www.8137.hk).

29 May 2015

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## CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED

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GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## DEFINITIONS

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In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which banks are open for business in Hong Kong
“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)”	the 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
“Geely HK”	Geely International (Hong Kong) Limited, a company incorporated in Hong Kong
“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 Bridge”	Hong Bridge Capital Limited, a private limited liability company incorporated in the British Virgin Islands, and is owned as to 68% by Mr. He Xuechu and as to 32% by Mr. Li Xing Xing, respectively
“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

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## DEFINITIONS

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“Last Trading Day”	6 May 2015, being the last full trading day for the Shares prior to the issue of the announcement of the Company dated 7 May 2015 in relation to the Placing and the Subscription
“Latest Practicable Date”	28 May 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to herein
“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)

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## DEFINITIONS

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“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
“substantial shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Zhejiang Geely”	浙江吉利控股集團有限公司 (Zhejiang Geely Holding Group Co., Ltd.), a limited liability company incorporated in the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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LETTER FROM THE BOARD

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**HONBRIDGE HOLDINGS LIMITED**

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

(Stock Code: 8137)

*Executive Directors:*

Mr. He Xuechu (*Chairman*)  
Mr. Liu Wei, William (*Chief Executive Officer*)  
Mr. Shi Lixin

*Non-executive Directors:*

Mr. Ang Siu Lun, Lawrence  
Mr. Yan Weimin

*Independent non-executive Directors:*

Mr. Chan Chun Wai, Tony  
Mr. Fok Hon  
Mr. Ma Gang

*Registered office:*

4th Floor  
Willow House  
Cricket Square  
P.O. Box 2804  
Grand Cayman KY1-1112  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

Unit 5402, 54th Floor  
Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

29 May 2015

*To the Shareholders*

Dear Sir or Madam,

**PLACING OF NEW SHARES UNDER SPECIFIC MANDATE;  
SUBSCRIPTION FOR NEW SHARES UNDER SPECIFIC MANDATE  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

The Company announced that 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 Placers who and whose beneficial owners are Independent Third Parties at a price of HK\$1.12 per Placing Share.

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## LETTER FROM THE BOARD

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The Board also announced that 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 purpose of this circular is to provide you with further information regarding, among other things, further details of the Placing, further details of the Subscription and the notice of the EGM to be convened for the purpose of considering and, if thought fit, approving the Placing Agreement and the transactions contemplated thereunder; and the Subscription Agreement and the transactions contemplated thereunder.

### THE PLACING AGREEMENT

#### Date

7 May 2015

#### Parties

Issuer: The Company

Placing Agent: ABCI Securities Company Limited

#### Placing Agent

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, 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 of the Company.



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## LETTER FROM THE BOARD

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### 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 Latest Practicable Date; 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;
- (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;
- (iii) a discount of approximately 55.0% to the closing price of HK\$2.49 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (iv) a premium of approximately 83.6% over the net asset value per Share of the Group of HK\$0.61 (based on the audited net assets value as at 31 December 2014 HK\$4,072.5 million and the total issued Shares of 6,644,571,606 Shares as at 31 December 2014).

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent after taking into account the reasons discussed in the section named "Placing Price and Subscription Price" in page 11 of this Circular. 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.

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## LETTER FROM THE BOARD

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### Conditions of the Placing Agreement

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.

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## LETTER FROM THE BOARD

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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 and/or fund raising activities and/or notifiable transactions; or

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## LETTER FROM THE BOARD

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- (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 Latest Practicable Date.

### 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 THE 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 unaudited bank and cash balances of the Group as at 31 March 2015 was approximately HK\$31,800,000. The Board considers the Group should improve the current bank and cash level of the Group for carrying out its acquisition and investment plan in new energy vehicle related project and development in Brazilian iron ore project, which are critical for the growth and development of the Group.

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.

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## LETTER FROM THE BOARD

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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.

Further details on the use of proceeds has been set out in the section named “Use of Proceeds” in page 15 of this circular.

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.

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## LETTER FROM THE BOARD

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### 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 Latest Practicable Date 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;
- (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;
- (iii) a discount of approximately 55.0% to the closing price of HK\$2.49 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (iv) a premium of approximately 83.6% to the net asset value per Share of the Group of HK\$0.61 (based on the audited net assets value as at 31 December 2014 HK\$4,072.5 million and the total issued Shares of 6,644,571,606 Shares as at 31 December 2014).

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.

### Placing Price and Subscription Price

In assessing the reasonableness of the Placing Price and Subscription Price under the Placing Agreement and Subscription Agreement respectively, the Board has reviewed the Share prices level during a period starting from 5 November 2014, being six months prior to the signing of the Placing Agreement and Subscription Agreement, up to the Latest Practicable Date (the “Review Period”). The closing of the Shares ranged from HK\$0.99 per Share to HK\$2.71 per Share. As such, the Placing Price and Subscription Price of HK\$1.12 under the Placing Agreement and Subscription Agreement lies within the range of the closing prices within the Review Period.

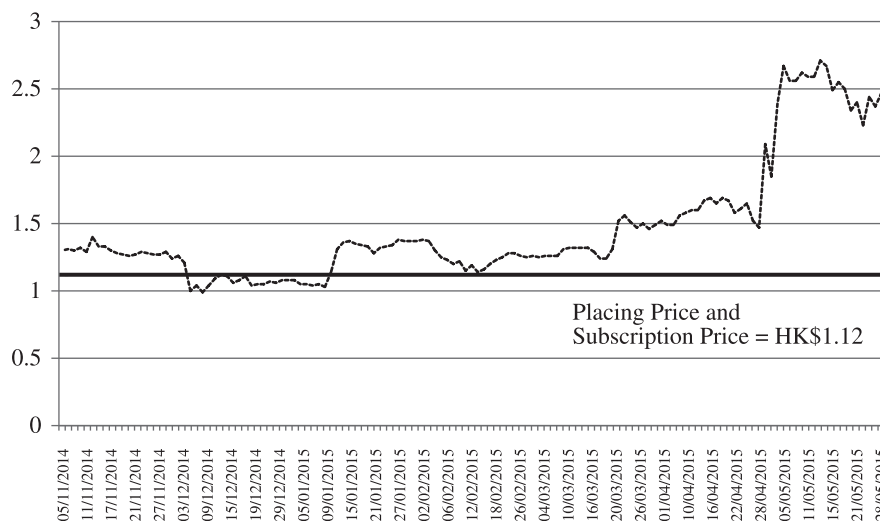
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## LETTER FROM THE BOARD

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The Board noticed that the Share price has increased substantially from April to May 2015. For a better reference, the Board is of the view that a longer period of time should be used for the reference to the Placing Price and Subscription Price.

The chart below illustrates the movement of the daily closing Share prices in HK\$ per Share during the Review Period:



In addition to the Share price analysis, the Company also takes into account (i) the Company needs additional funding to finance the Brazilian iron ore project and for development of new energy vehicles related projects as soon as possible; (ii) the chance of obtaining of the approval of debt financing is low for the Company as discussed in the section named “Other fund raising alternatives”; (iii) the net asset value per Share of the Group of HK\$0.61 (based on the audited net assets value as at 31 December 2014 HK\$4,072.5 million and the total issued Shares of 6,644,571,606 Shares as at 31 December 2014); and (iv) on 9 March 2015, the Company and New Hope Group Co. Ltd (the “New Hope Group”) entered into the Memorandum of Understanding pursuant to which, it is proposed that the Company will issue and New Hope Group (or such person(s) at its direction) will subscribe for the two-year, zero coupon convertible bonds in principal amount of no less than HK\$240,870,000 and no more than HK\$1,379,730,000 at a conversion price of HK\$1.11 per Shares; and the Company will grant and New Hope Group (or such person(s) at its direction) will subscribe for a options with an exercise price of HK\$1.32 per option share. More details of the convertible bonds and options mentioned in this section has been disclosed in the announcement of the Company dated 11 March 2015. It is reasonable that the potential investor would only accept the Placing Price and Subscription Price near the lower price during the Review Period after taking into the account all the above factors.

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## LETTER FROM THE BOARD

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As such, we consider that (i) the Placing Price and Subscription Price of HK\$1.12 under the Placing Agreement and Subscription Agreement was arrived at after arm's length negotiation, and are on normal commercial terms; and (ii) the entering into the Placing Agreement and Subscription Agreement are fair and reasonable and 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 conditions are 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.

The Placing and the Subscription are not inter-conditional.

### 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 “

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## LETTER FROM THE BOARD

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- (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

	New energy vehicles related projects <i>HK\$ million</i>	Brazilian iron ore project <i>HK\$ million</i>	General working capital or supplement new energy vehicles and Brazilian iron ore project <i>HK\$ million</i>	Total Net Proceeds <i>HK\$ million</i>
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>

### New energy vehicles related projects

The Group is determined to enter the field of new energy vehicles and intended to acquire all the core technology such as battery, battery pack, battery management system (“BMS”), electric motor system and vehicle control module by acquisition. Through integration of technology and innovation, ultimately, the Group is intended to produce new energy vehicles.

Currently, the production plant of Shandong Forever New Energy Co., Ltd. (“Shandong Forever New Energy”) covers a total area of approximately 130,000 square meters and its current factory and office facilities covers a floor area of about 70,000 square meters. The current design production capacity of Shandong Forever New Energy amounts to 150,000 kWh of lithium iron phosphate battery or 225,000 kWh of ternary lithium battery annually. Subject to the availability of the necessary funding, the Company plans to build new production line in Shandong Forever New Energy to expand its annual production capacity from 150,000 kWh to about 300,000 kWh in or

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## LETTER FROM THE BOARD

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around mid-2015. It is expected that such new production line could commence production by mid-2016. It is estimated that the capital expenditure for building such new production line would amount to approximately HK\$225 million (equivalent to approximately RMB180 million).

Besides increasing the production capacity of lithium ion battery business, the Company is also actively looking for investment and acquisition opportunities in the new energy vehicles related field. For example, in August 2014, the Company started negotiation with the major shareholder of a target company (the “Target Company”) for a possible acquisition. The Target Company is principally engaged in the research and development, manufacture and sale of electric vehicle power system as well as provides electric vehicle integration solution for automobile manufacturers. The products of the Target Company include high power motors, inverters, high power chargers, energy regeneration system, vehicle control module and battery management system. The Target Company has a number of patented technologies (and a few pending patents) and the reliability of its advanced technology has been validated by a numbers of leading automobile manufacturers worldwide. The research and development headquarter of the Target Company is located in North America and a mass production facility which is under construction will be located in China. As at the date of this Circular, the parties has not reached consensus on certain trading conditions and the negotiation is still ongoing. The Company is not in a position to determine whether any agreements will be reached finally. If trading terms are agreed, the Company not only need to settle the consideration, the Company may also requires additional investment to further develop and maintain the operation of the Target Company.

On 16 October 2014, the Company entered into a non-legally binding cooperation framework agreement (the “Cooperation Framework Agreement”) with the New District Administrative Committee of Wuxi Municipal People’s Government, Jiangsu Province of the PRC (the “Wuxi New District Administrative Committee”) and Sunbase International (Holdings) Limited (“Sunbase Holdings”). According to the Cooperation Framework Agreement, the Company intends to establish a new energy automobile production base in the New District of Wuxi (the “Production Base”) jointly with Sunbase Holdings. The initial annual production target of the Production Base is 200,000 new energy vehicles, 3,000,000 kWh power batteries, as well as around 200,000 sets of core components such as electric motor system and electronic vehicle control module. Wuxi New District Administrative Committee and Sunbase Holdings will be responsible for setting up a special industrial fund of approximately RMB5 billion to support the establishment of the Production Base and Wuxi New District Administrative Committee will proactively provide land, tax, subsidies and other supports according to the PRC national policy. Since the signing of the Cooperation Framework Agreement, the Company and the other two parties had conducted several discussions and negotiations. If consensus is reached on all major terms, the signing of a formal agreement will be arranged and subject to the negotiation between the parties involves, the Company may required to provide capital to the Production Base.

The remaining HK\$725 million proceeds will be mainly used for acquisition of the Target Company and investment of the Production Base. If the proposed acquisition of the Target Company and development of the Production Base fail to materialise, the Company will look for other new energy vehicles related investment opportunities.

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## LETTER FROM THE BOARD

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### Brazilian iron ore project

Sul Americana de Metais S.A. (“SAM”), a subsidiary of the Company, is devoted to develop Block 8, named as Vale do Rio Pardo, as phase I of operation with an annual production capacity of 25 million tons (with a possibility to expand it to 27.5 million tons) of 66.5% or above iron concentrate. The project will have an integrated system comprised an open-pit mine, a beneficiation plant, a 480km underground slurry pipeline, filtering plant and port for product export. The measured and indicated iron ore reserves of Vale do Rio Pardo are estimated at 2.6 billion tons with average 19.7% Fe at a Fe cut-off of 14% based on JORC Code. The ore body is shallow buried, outcrops on the present surface and inclines slightly with an average dip angle of not more than 15° which translates into approximately 640 million tons of iron concentrate for a lifespan of around 26 years.

The preliminary work in Vale do Rio Pardo includes obtaining the required licenses and approvals for starting the construction and preparation of a bankable feasibility study in accordance with the relevant requirement. For the construction of Vale do Rio Pardo project, extensive beneficiation test and completion of feasibility study, extensive engineering design for mining, beneficiation, water supply, electricity supply, pipelines and ports have to be completed. Once detailed engineering design commenced, tender for the construction project and large-scale construction work will commence. If all licenses and approvals for starting the construction are obtained in the first half of 2016, the mine is expected to commence operation by 2019.

As the relevant government authorities require more time in reviewing the relevant applications, the time to obtain the approvals is already lagging behind the estimates made by the management earlier. The Company is actively seeking to obtain all the license and commence construction as soon as possible. Other details in relation to the Brazilian iron ore project have been set out in the 2014 annual report of the Company.

### FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities for the 12 months immediately preceding the Latest Practicable Date.

### OTHER FUND RAISING ALTERNATIVES

Other than raising fund by way of the Placing, the Board have also considered other fund raising methods, such as borrowings or issuance of bonds (both from banks and/or other lenders), open offer and rights issue. For bank and other borrowings or issuance of bonds, the Board is of the view that given the Company's is in a loss position (reporting a loss attributable to the owners of the Company of only approximately HK\$25,941,000 for the three months ended 31 March 2015 and a loss of approximately HK\$3,241,459,000 for the year ended 31 December 2014), it will take a long time for banks and/or other lenders to review the financial condition of the Group for the purpose of granting loan facilities for business development. The banks and/or other lenders will also likely to charge relatively higher interest rate for the loan given the Group's financial situation which if the Group accepts, will incur additional interest expenses. In respect of rights issue or

## LETTER FROM THE BOARD

open offer, the Board is of the view that (i) the time taken for the completion of rights issue or open offer will be longer; (ii) it may be difficult to secure an underwriter for rights issue or open offer; and (iii) the cost in documentation works, administrative and professional fees for rights issue and open offer will be higher. On the contrary, the Placing can be completed within a short period of time subject to the Shareholders' approval with a lower cost as compared to that of rights issue and open offer. As such, the Board is of the view that the Placing would be a preferred fund raising method among other alternatives.

### 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 Latest Practicable Date		Upon completion of the Placing		Upon completion of the Placing and the Subscription	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Hong Bridge ( <i>Note 1</i> )	4,065,000,000	61.0	4,065,000,000	54.8	4,065,000,000	51.7
He Xuechu ( <i>Note 1</i> )	57,939,189	0.9	57,939,189	0.8	57,939,189	0.7
Foo Yatyan ( <i>Note 2</i> )	22,460,000	0.3	22,460,000	0.3	22,460,000	0.3
Li Shufu ( <i>Note 3</i> )	103,064,000	1.5	103,064,000	1.4	103,064,000	1.3
Geely HK ( <i>Note 4</i> )	250,675,675	3.8	250,675,675	3.4	250,675,675	3.2
Liu Wei ( <i>Note 5</i> )	10,000,000	0.2	10,000,000	0.1	10,000,000	0.1
The Subscriber	—	—	—	—	446,000,000	5.7
The Places	—	—	754,000,000	10.2	754,000,000	9.6
Other public Shareholders	<u>2,150,982,742</u>	<u>32.3</u>	<u>2,150,982,742</u>	<u>29.0</u>	<u>2,150,982,742</u>	<u>27.4</u>
Total	<u>6,660,121,606</u>	<u>100.0</u>	<u>7,414,121,606</u>	<u>100.0</u>	<u>7,860,121,606</u>	<u>100.0</u>

*Notes:*

- As at Latest Practicable Date, Mr. He Xuechu ("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 Latest Practicable Date, Mr. Li Shufu holds 90% equity interest of Zhejiang Geely, and Zhejiang Geely held the entire issued share capital of Geely HK.

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## LETTER FROM THE BOARD

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4. As at Latest Practicable Date, Geely HK holds HK\$740,000,000 convertible notes of the Company with a conversion price of HK\$0.37 per conversion Share.
5. Mr. Liu Wei is an executive Director.

### EXTRAORDINARY GENERAL MEETING

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

A notice convening the EGM to be held on Tuesday, 16 June 2015 is set out on pages 21 to 23 of this circular and a form of proxy for use at the EGM is enclosed.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar, Union Registrars Limited at A18F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. In the event that a Shareholder having lodged a proxy form attends the EGM, his proxy form will be deemed to have been revoked.

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, 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; and the Subscription and the Subscription Specific Mandate.

The Placing and the Subscription are not inter-conditional.

### RESPONSIBILITY STATEMENT

This circular, 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 the information contained in this circular 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 circular misleading.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors are of the opinion that the Placing and the Subscription and the terms thereof are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the resolutions to be proposed at the EGM.

On behalf of the Board  
Honbridge Holdings Limited  
HE Xuechu  
*Chairman*

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# NOTICE OF EXTRAORDINARY GENERAL MEETING

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## HONBRIDGE HOLDINGS LIMITED

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

(Stock Code: 8137)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Honbridge Holdings Limited (the “Company”) will be held at Unit 5402, 54th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, at 10 a.m. on Tuesday, 16 June 2015 for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions as ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

1. “THAT

- (a) the placing agreement dated 7 May 2015 entered into between the Company as issuer and ABCI Securities Company Limited as placing agent in relation to the placing of a maximum of 754,000,000 new shares of the Company (the “Placing Shares”) in the share capital of the Company at a placing price of HK\$1.12 per Placing Share (the “Placing Agreement”) on a fully underwritten basis (a copy of which marked “A” has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification and all transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) conditional upon, among others, the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Placing Shares and fulfillment of conditions set out in the Placing Agreement, the allotment and issue of the Placing Shares, pursuant to and subject to the terms and conditions of the Placing Agreement, be and are hereby approved; and
- (c) the directors of the Company (the “Directors”) be and are hereby authorised to exercise all the powers of the Company and take all steps as might in the opinion of the Directors be desirable, necessary or expedient in connection with the implementation of the transactions contemplated under the Placing Agreement and in relation to the issue and allotment of the Placing Shares, including, without limitation to, the execution, amendment, supplement, delivery, submission and implementation of any further documents or agreements.”



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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2. “THAT

- (a) the subscription agreement dated 7 May 2015 entered into between the Company as issuer and Shagang International (Hong Kong) Co., Limited 沙鋼國際(香港)有限公司 as subscriber in relation to the issue of 446,000,000 new shares of the Company (“Subscription Shares”) at a subscription price of HK\$1.12 per Subscription Share (the “Subscription Agreement”) (a copy of which marked “B” has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification and all transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) conditional upon, among others, the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Subscription Shares and fulfillment of conditions set out in the Subscription Agreement, the allotment and issue of the Subscription Shares, pursuant to and subject to the terms and conditions of the Subscription Agreement, be and are hereby approved; and
- (c) the Directors be and are hereby authorised to exercise all the powers of the Company and take all steps as might in the opinion of the Directors be desirable, necessary or expedient in connection with the implementation of the transactions contemplated under the Subscription Agreement and in relation to the issue and allotment of the Subscription Shares, including, without limitation to, the execution, amendment, supplement, delivery, submission and implementation of any further documents or agreements.”

On behalf of the Board  
Honbridge Holdings Limited  
HE Xuechu  
*Chairman*

Hong Kong, 29 May 2015

*Registered office:*

4th Floor  
Willow House  
Cricket Square  
P.O. Box 2804  
Grand Cayman KY1-1112  
Cayman Islands

*Head office and Principal place of  
business in Hong Kong:*

Unit 5402, 54th Floor  
Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Notes:*

1. A member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and on a poll vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority, must be deposited at the Company's share registrar, Union Registrars Limited at A18F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude any member from attending and voting in person at the Meeting or any adjourned Meeting should he so wishes.
3. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint shareholding.
4. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the extraordinary general meeting, the meeting will be postponed. The Company will post an announcement on the website of Company at [www.8137.hk](http://www.8137.hk) and on the HKExnews website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) to notify Shareholders of the date, time and place of the rescheduled meeting.