



洪橋集團有限公司
Honbridge Holdings Limited

香港交易所上市公司HKEx Code: 8137

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【 Press Release 】

Honbridge Holdings Limited Announces: A Signing of Memorandum of Understanding (MOU) on Acquisition of 100% equity interests of Salinas Iron Mines in Brazil for USD 430 Million

(Hong Kong, 18 November 2009) Honbridge Holdings Limited (“Honbridge”) (stock code: 8137) announced the signing of a non-legally binding MOU with Votorantim Novos Negócios (“VNN”), a wholly-owned subsidiary of Grupo Votorantim (“GV”), that Honbridge planned to invest not more than USD 430 million to acquire 100% equity interests of SAM, an iron mine company controlled by VNN. The USD 430 million consideration shall be paid by five instalments of USD 10 million, USD 65 million, USD 115 million, USD 120 million and USD 120 million, respectively upon the signing of formal sale and purchase agreement, the confirmation of resources to a certain agreed level, the receipt of all necessary approvals and permits, the commencement of port operation and the commencement of production. From now on and up to the mine operation period, GV shall provide necessary support and assistance to assist Honbridge to get all relevant government approvals and permits regarding the exploitation in Brazil by way of a nil-consideration management services agreement. Honbridge shall commence its due diligence investigation in SAM and the iron mines as soon as practicable and try its best to sign the formal sale and purchase agreement as soon as practicable.

SAM is a limited company incorporated in the Federative Republic of Brazil (“Brazil”) which holds the mining rights to 94 exploration permits, mainly for iron ore, located along the Brazilian states of Minas Gerais and Bahia covering an area of approximately 1,360 km². These mines are grouped into nine exploration areas identified as Blocks 5, 6, 7, 8, 9, 10, 11, 12 and 13. 98 drilling holes totalling 12,616 metres have been completed in Blocks 7 and 8 situated in Minas Gerais State, covering 192 km². According to a report prepared by Coffey Mining provided by VNN, the JORC-compliant indicated and inferred resources reached 2,800 million tonnes in Blocks 7 and 8, and the prospective resources of which may reach 6,000 million tonnes or above. According to the results of Airborne Geophysical Survey, the existence of iron ore in the remaining blocks, occupying 1,168 km², has been identified, however, no drillings have been conducted yet. Based on the economic analysis report issued by a professional entity and provided by VNN, the free on board cost of pellet feed is estimated at approximately USD 20/tonne with yearly production planned at 25 million tonnes at 65% Fe or above.

Established in São Paulo since 1918, GV is one of the largest private enterprises in Brazil, even in Latin America. It is a leading industrial group in cement and concrete, pulp and paper, metals (zinc, aluminum, nickel and steel), orange juice, and provision of financial services in Brazil. GV had more than 60,000 employees in 2008 with net revenues over USD 19 billion. It is also one of the few investment grade enterprises in Brazil (by S&P and Fitch).



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According to the spokesman of Honbridge that Honbridge would commence the assessment of Project Salinas as soon as practicable in order to reach the soonest formal agreement with the vendor, and aggressively seek for iron-and-steel, mining and port giants as strategic investors for joint participation in this project.

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Honbridge website: www.8137.hk

Or link to

Company Background:

http://www.8137.hk/admin/upload_img/file/Honbrdge_ENG_website_part1_20091116.pdf

Xianglan Manganese Mine Project, Brazil:

http://www.8137.hk/admin/upload_img/file/ManganeseMine_Eng.pdf

Salinas Iron Mine Project, Brazil:

http://www.8137.hk/admin/upload_img/file/Honbridge_SalinasIron_ENG_20091119.pdf

For enquiries

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