

[Press Release]

HONBRIDGE HOLDINGS LIMITED SIGNING OF MEMORANDUM OF UNDERSTANDING BETWEEN SAM AND BRAZIL LOCAL GOVERNMENT

(Hong Kong, 20 June 2010) – The Board of Honbridge Holdings Limited (“Honbridge” / “the Company”) (stock code: 8137) is pleased to announce that Sul Americana de Metais S.A. (“SAM”), the iron ore company which the Company announced to acquire, has entered into a Memorandum Of Understanding (“MOU”) with Minas Gerais Government on 16 June 2010.

1. MOU entered into by SAM with Minas Gerais Government

On 16 June 2010, the Minas Gerais Government has entered into a MOU with SAM.

SAM agrees to: construct a comprehensive plan of iron ore mining, beneficiation and pipeline that will reach the carrying capacity of 25,000,000 tons per year of pellet feed in Minas Gerais, which to be completed by March 2014; create approximately 1,800 direct jobs during the operational stage when it reaches its full operational capability; comply with local laws, including environmental regulations, and to use principally suppliers and service providers based in Minas Gerais.

Minas Gerais Government commits to: endeavor in accordance with applicable law, to provide SAM financing for fixed investments and working capital; through the Secretaria de Estado de Meio Ambiente e Desenvolvimento Sustentável (The State Department for the Environment and Sustainable Development/“SEMAD”), undertake to receive and dispatch as soon as possible, the environmental permits of the projects, which will be approved by the O Conselho de Política Ambiental (The State Council for Environmental Policies/“COPAM”); endeavor to prepare or revise the municipal master plan with the development of the project by the Secretaria de Estado de Desenvolvimento Regional e Política Urbana (The Regional Development and Urban Policy State Office/“SEDRU”); provide information and training infrastructure for employees hired for the project; through the Companhia Energética de Minas Gerais (The Federal Concessionaire of Public Service of Electric Power/“CEMIG”), the federal concessionaire of public service of electric power, company controlled by the State of Minas Gerais to undertake the electrical system to provide electricity to SAM’s project at Grão Mogol; through the Instituto de Desenvolvimento Industrial de Minas Gerais (Minas Gerais State Integrated Development Institute/“INDI”), provide support and assistance to SAM during the implementation and operation of the project, particularly with regard to the financing and licenses required for the project.

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2. The latest development of the iron ore project, SAM-Salinas

After entering into the definitive Share Purchase Agreement date 5 March 2010 in relation to the Acquisition of SAM, Honbridge has remitted the first three installments of loans in aggregate of US\$ 15,870,000 to SAM on 19 April 2010 and 3 June 2010 according to the payment schedule set out in the Loan Agreement.

SAM has appointed Geologia e Sondagens Ltda. as the drilling contractor, SGS Geosol Laboratórios Ltda. to be in charge of assays laboratory, Golder Associates Corporation as the qualified persons of resource confirmation. The tender and employment of other constructions, including, amongst all, services and consulting works in relation to resource confirmation, including topographic survey and location, core test, slicing, logging, density measurement, storage and review, mine project design, pipeline extension project design, environment, community relations and land use, have been completed.

The intensive drilling work of continuous drilling has been started on 1 May 2010. As of 15 June 2010, 53 drilling holes totaling 5,518.59 meters have been completed. All of the holes revealed the existence of iron ore in line with expectations.

The antitrust investigation of Honbridge's acquisition of SAM has been gone through by the relevant government department of Brazil. Approximately 60% of water required in SAM's project has been approved by the National Water Agency (ANA). The negotiation on construction of electric transmission and transformation facilities is now in progress.

The spokesman of Honbridge said: The MOU signed by SAM with Minas Government reflects the local government's support of Salinas Iron Ore Project and create conditions for the rapid growth and development of the project.

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For the announcement regarding this transaction, please click on the links below:

HKEx website:

<http://www.hkexnews.hk/listedco/listconews/gem/20100618/GLN20100618051.pdf>

Honbridge website: www.8137.hk

For enquiries:

Honbridge Holdings Limited

Mr. William Liu

Tel: +852 2879 8836 / +852 9197 8046