

**[Press Release]**

**HONBRIDGE HOLDINGS LIMITED ANNOUNCES  
The placement of new shares of the Company  
Raised approximately HK\$466.2 million**

(Hong Kong, 20 May 2011) – Honbridge Holdings Limited (“Honbridge” / “the Company”) (stock code: 8137) has announced: the Company placed out 148 million new shares at HK\$3.15 each to a third party independent to the Company, which raised approximately HK\$466.2 million. The placing price is 1.61 % premium over the closing price of the Company at the date of placement.

The placement of new shares of the Company represents 2.36% of the enlarged capital of the Company.

According to Honbridge: the raised fund will be used to settle the consideration of acquiring Sul Americana de Metais S.A. (“SAM”), and/or lend to “SAM” for the capital expenditures for proceeding the agreed scope of work before the commencement of production of the iron ore.

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For details, please refer to Honbridge website: [www.8137.hk](http://www.8137.hk)

About the Iron Mine Project, Brazil of Honbridge

On 5 March 2010, Honbridge and VNN have entered into the Share Purchase Agreement to acquire 100% equity interest of SAM for not more than US\$405 million. SAM holds 83 exploration right permits, covering a total area of approximately 1,155 km<sup>2</sup>, dividing into 9 blocks, the major metal is iron. The estimation of the total JORC compliant Measured Resources, Indicated Resources and Inferred Resources of Block 8 and Block 7 are at least 3,700 million tonnes of ROM. SAM plans to construct a plant in Block 8 for mining, beneficiation, pipeline transportation and port with phase one annual production of 25 million tonnes and Fe>65% iron concentrate. The initial investment for the phase one development of the Project with annual production capacity of 25 million tonnes of iron concentrate amount is estimated to be approximately US\$3,000 million.

Honbridge has been seeking cooperation opportunities with large scale iron and steel enterprises, large scale construction developers and funding from banks for the fund raising. Pursuant to the Strategic Cooperation Agreement entered into by the Company and Xinwen Mining Group Co., Ltd on 26 March 2010 and the Long Term Iron Concentrate Supply & Cooperation Framework Agreement entered into by the Company and Capital Steel Holding Ltd on 29 March 2011, the Company has conditionally secured funding of approximately US\$2,000 million for the development of the Project. Such amount represents approximately 67% of the initial investment for the Phase one development of the Project. In addition, the Company has also entered into Memorandums of Understanding for cooperation with Shandong Iron and Steel Group Co., Ltd. and Hunan Valin Iron & Steel Group Co., Ltd. respectively. SAM has already obtained long term off-take order of 20 million tonnes iron concentrate per year.

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