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GOLDBOND GROUP HOLDINGS LIMITED

金榜集團控股有限公司

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT

**PROPOSED OPEN OFFER
TO QUALIFYING SHAREHOLDERS ON THE BASIS OF
FOUR OFFER SHARES FOR EVERY EXISTING SHARE HELD**

**POSSIBLE MANDATORY OFFER BY
ASIA INVESTMENT CAPITAL LIMITED
ON BEHALF OF ALLIED LUCK TRADING LIMITED AND
ACE SOLOMON INVESTMENTS LIMITED TO ACQUIRE ALL THE SHARES IN
GOLDBOND GROUP HOLDINGS LIMITED
OTHER THAN THOSE ALREADY OWNED BY ALLIED LUCK TRADING LIMITED,
ACE SOLOMON INVESTMENTS LIMITED AND PARTIES ACTING IN CONCERT WITH THEM**

The Open Offer

The Company proposes to raise approximately HK\$132.6 million before expenses by issuing not less than 1,325,952,000 Offer Shares and not more than 1,335,072,024 Offer Shares at a price of HK\$0.10 per Offer Share by way of the Open Offer, payable in full on application on the terms set out below. The Company will provisionally allot to the Qualifying Shareholders on the basis of four Offer Shares for every Share held by the Qualifying Shareholders as at the Record Date. The Open Offer is not available to the Overseas Shareholders.

The net proceeds of the Open Offer are expected to amount to not less than HK\$131.7 million. Though currently not earmarked for any specific purpose, the net proceeds are intended to be used as to approximately HK\$100.0 million for financing the Group's future investment purposes (including PRC property investments), and the remaining balance of approximately HK\$31.7 million as general working capital purposes of the Group. The Company has been in negotiations in relation to possible property investments in the PRC which the Directors believe would enhance the Group's earnings and would generate an attractive return on investment for the Company. No formal agreement has been entered into and no definitive timetable has been set yet. Formal agreements regarding these possible investments may or may not be entered into.

As at the date of this announcement, Allied Luck, Canasia and Sparkle Power, being the Significant Shareholders, in aggregate hold 77,508,000 Shares, representing approximately 23.38% of the existing issued ordinary share capital of the Company. Each of the Significant Shareholders has irrevocably undertaken to the Company that the respective Shares beneficially owned by each of them will remain registered in their names from the date of this announcement up to the Record Date and they have also undertaken to subscribe or procure subscribers for their respective provisional entitlements in full, amounting to 310,032,000 Offer Shares in aggregate.

Pursuant to the Underwriting Agreement, the Offer Shares (other than those for which the Significant Shareholders have irrevocably undertaken to subscribe) have been fully underwritten by the Underwriters, namely Allied Luck and Ace Solomon. Allied Luck would underwrite up to the first 309,275,100 of such Offer Shares and Ace Solomon would underwrite the remaining of such Offer Shares, amounting to a maximum of 706,644,900 Offer Shares (assuming no Preference Shares are converted prior to the Record Date) or 715,764,924 Offer Shares (assuming the Preference Shares are converted up to the applicable conversion limit).

The Open Offer is subject to the conditions set out below under the paragraph headed "Conditions of the Open Offer". In particular, it is subject to, among other matters, the passing of the resolution by the Shareholders other than the Significant Shareholders and their respective associates to approve the Open Offer and the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Offer Shares. A circular containing information regarding, among other matters, the Open Offer will be despatched to the Shareholders as soon as practicable.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriters the right to terminate its obligations on the occurrence of certain events. Please refer to the paragraph headed "Termination of the Underwriting Agreement" for further details.

Existing Shares will be dealt with on an ex-entitlement basis from 24 November 2003. In order to be registered as a member on the Record Date and to qualify for the Open Offer, any transfers of the Shares (with the relevant share certificates) must be lodged for registration with the Company's share registrar and transfer office, Computershare Hong Kong Investors Service Limited, at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by not later than 4:00p.m. on Tuesday, 25 November 2003. Any person dealing in the Shares on an ex-entitlement basis will accordingly bear the risk that the Open Offer may not become unconditional and/or may not proceed.

Possible mandatory Cash Offer

In the event that the Underwriters are called upon to take up their underwriting obligations under the Underwriting Agreement in full, the aggregate shareholding interests of Allied Luck, Ace Solomon and parties acting in concert with them in the issued ordinary share capital of the Company would be increased from approximately 23.38% to approximately 84.68% (assuming no Preference Shares are converted prior to the Record Date) or approximately 84.64% (assuming the Preference Shares are converted up to the applicable conversion limit). If, as a result of the taking up of the Offer Shares by the Underwriters under the Underwriting Agreement, Allied Luck, Ace Solomon and parties acting in concert with them acquire Shares such that their aggregate holding of voting rights in the Company is increased to 30% or more, Allied Luck, Ace Solomon and parties acting in concert with them will be required under Rule 26 of the Takeovers Code to make a general offer for the Shares and the Preference Shares other than those held by Allied Luck and Ace Solomon and their concerted parties. In such event, Asia Investment Capital Limited will make the Cash Offer, on behalf of Allied Luck and Ace Solomon, upon completion of the Open Offer pursuant to the Takeovers Code.

If after the completion of the Open Offer, the total number of Offer Shares actually subscribed by Allied Luck pursuant to its underwriting obligation under the Underwriting Agreement is less than 309,275,100 Offer Shares (excluding the Offer Shares to which it is entitled under the Open Offer as a Qualifying Shareholder) but the Cash Offer is triggered by virtue of the aggregate holding of voting rights of Allied Luck, Ace Solomon and their concerted parties in the Company being increased to 30% or more, then (i) the maximum number of Shares to be purchased by Allied Luck under the Cash Offer will be the difference between 309,275,100 Shares and the number of Offer Shares actually subscribed by Allied Luck pursuant to its underwriting obligation under the Underwriting Agreement (excluding the Offer Shares to which it is entitled under the Open Offer as a Qualifying Shareholder), and (ii) Ace Solomon will take up the remaining Shares tendered by the Shareholders to the Cash Offer. If after the completion of the Open Offer, the total number of Offer Shares actually subscribed by Allied Luck pursuant to its underwriting obligation under the Underwriting Agreement is 309,275,100 Offer Shares (excluding the Offer Shares to which it is entitled under the Open Offer as a Qualifying Shareholder) and the Cash Offer is triggered by virtue of the aggregate holding of voting rights of Allied Luck, Ace Solomon and their concerted parties in the Company being increased to 30% or more, then all the Shares tendered by the Shareholders to the Cash Offer will be solely purchased by Ace Solomon.

Rule 8.2 of the Takeovers Code provides that a composite offer document should normally be posted to the Shareholders within 21 days of the date of this announcement. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Executive's consent is required if the making of the Cash Offer is subject to the prior fulfilment of certain conditions precedent and the conditions precedent cannot be fulfilled within the time period contemplated by Rule 8.2 of the Takeovers Code. Application will be made by Allied Luck and Ace Solomon for a waiver from strict compliance with Rule 8.2 of the Takeovers Code to extend the time limit for the despatch of the composite offer document from within 21 days of the date of this announcement to within seven days from the date of fulfilment of the conditions precedent of the Open Offer.

It is the intention of Allied Luck and Ace Solomon that the listing of the Shares on the Stock Exchange should be maintained. Accordingly, Ace Solomon has undertaken to the Stock Exchange, in terms to be agreed with the Stock Exchange, to take appropriate steps as soon as practicable following the close of the Open Offer and the Cash Offer to ensure that such number of the Shares as may be required by the Stock Exchange are held by the

public. The Stock Exchange has stated that, in the event that less than 25% of the Shares are in public hands following the closing of the Open Offer and the Cash Offer; or if the Stock Exchange believes that a false market exists or may exist in the Shares or that there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares.

Trading in the Shares was suspended at the request of the Company from 9:30 a.m. on 17 October 2003 pending the publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 23 October 2003.

CHANGE IN THE SHAREHOLDING OF AN EXISTING SHAREHOLDER

Sparkle Power has notified the Board that on 17 October 2003, Mr. Ko, an executive Director, has applied for the subscription of one new share in Sparkle Power. Upon issue of such new share, the enlarged share capital of Sparkle Power is owned as to 50% by Ms. Loh and as to 50% by Mr. Ko. Prior to such subscription, Mr. Ko did not have any direct or indirect shareholdings in the Company.

THE PROPOSED OPEN OFFER

On 17 October 2003, the Company entered into the Underwriting Agreement with the Underwriters in respect of the Open Offer. Details of the Open Offer are set out below:

Issue statistics

Basis of the Open Offer:	Four Offer Shares for every existing Share held by each Qualifying Shareholder as at the Record Date at a subscription price of HK\$0.10 per Offer Share
Number of Shares in issue:	331,488,000 Shares as at the date of this announcement
Minimum number of Offer Shares:	1,325,952,000 Offer Shares
Maximum number of Offer Shares:	1,335,072,024 Offer Shares (<i>Note</i>)

Note: Assuming that the Company's issued Shares is increased to 333,768,006 Shares on or before the Record Date as a result of the issue of 1,333,336 new Shares and 946,670 new Shares upon the exercise of the conversion rights attached to the outstanding 'A' Preference Shares and 'B' Preference Shares respectively up to the applicable conversion limit.

Save for the aforementioned Preference Shares, as at the date of this announcement, there were no outstanding convertible securities, options or warrants convertible into new Shares.

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders only and, for information only, the Prospectus to the Overseas Shareholders and the Preference Shareholders.

To qualify for the Open Offer, a Shareholder must:

- be registered as a member of the Company on the Record Date; and
- have an address in Hong Kong which appears on the register of members of the Company on the Record Date.

At the date of this announcement, the Company has 68,400,000 Preference Shares in issue, the respective holders of which, who are independent third parties, not connected with the chief executive, directors or substantial shareholders of the Company and/or their respective associates and parties acting in concert with any of them, are entitled to convert into 2,280,006 Shares prior to the Record Date. Assuming full exercise of the conversion rights attaching to the Preference Shares up to the applicable conversion limit, there would be an aggregate of 333,768,006 Shares in issue before the Record Date.

In order to be registered as members on the Record Date, all transfers of Shares (together with the relevant share certificates) must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investors Service Limited, at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by not later than 4:00 p.m. on Tuesday, 25 November 2003 pursuant to the expected timetable.

In order to qualify for the Open Offer, the Preference Shareholders must lodge the conversion notice with the Company by 4:00 p.m. on Tuesday, 25 November 2003.

The invitation to apply for the Offer Shares is not transferable or capable of renunciation and there will not be any trading in nil-paid entitlements of the Offer Shares on the Stock Exchange.

The Company will send the provisional allotment letters in respect of the Offer Shares to the Qualifying Shareholders only.

Closure of register of members

The register of members of the Company will be closed from Wednesday, 26 November 2003 to Friday, 28 November 2003 (both dates inclusive). No transfers of Shares will be registered during this period.

Subscription price for the Offer Shares

The subscription price is HK\$0.10 per Offer Share payable in full upon acceptance of the provisional allotments under the Open Offer. The subscription price represents:

- a discount of approximately 67.21% to the closing price of HK\$0.305 per Share as quoted on the Stock Exchange on 16 October 2003 (being the last trading day immediately prior to this announcement);
- a discount of approximately 74.81% to the average closing price of HK\$0.397 per Share based on the daily closing prices as quoted on the Stock Exchange over the last 10 trading days up to and including 16 October 2003 (being the last trading day immediately prior to this announcement); and
- a discount of approximately 29.08% to the theoretical ex-entitlement price of approximately HK\$0.141 per Share based on the closing price per Share as quoted on the Stock Exchange on 16 October 2003 (being the last trading day immediately prior to this announcement).

The subscription price was determined after arm's length negotiations between the Company and the Underwriters, with reference to the market price of the Shares and also other factors such as liquidity of the Shares, the par value of the Share of HK\$0.10 which is the minimum price for subscription of new Shares, and the fact that there are no force majeure provisions in the Underwriting Agreement. The Directors consider that the discount of the subscription price to the market price of the Shares is in line with that of other recent rights issues and/or open offers and such subscription price is fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

Status of the Offer Shares

The Offer Shares (when issued, allotted and fully-paid) will rank *pari passu* with the then issued Shares in all respects. Holders of the fully-paid Offer Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by reference to a record date falling after the date of issue and allotment of the Offer Shares.

Offer Shares are expected to be traded in board lots of 10,000 Shares. Dealings in the Offer Shares will be subject to the payment of the applicable stamp duty, Stock Exchange trading fee, the SFC transaction levy or any other applicable fees and charges in Hong Kong.

Rights of the Overseas Shareholders

If on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, that Shareholder cannot take part in the Open Offer as documents to be issued in connection with the Open Offer will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The issue of Offer Shares to an Overseas Shareholder may therefore contravene the applicable securities legislation of the place of residence of such Overseas Shareholder. Accordingly, the Overseas Shareholders will not be qualified for the Open Offer. The Company will send the Prospectus to the Overseas Shareholders for their information only. The Company will not send forms of application for Offer Shares to the Overseas Shareholders.

Fractions of Offer Shares

According to the basis of the Open Offer, there will not be any allotment of fractions of the Offer Shares. The Offer Shares to which the Overseas Shareholders would otherwise have been entitled to under the Open Offer will be taken up by the Underwriters.

Shares Certificates

Subject to the fulfilment of the conditions of the Open Offer, certificates for all the fully-paid Offer Shares are expected to be posted to those who have accepted and paid for the Offer Shares at their risk on or before Monday, 22 December 2003.

No application for excess Offer Shares

After arm's length negotiation with the Underwriters, the Company decided that no Qualifying Shareholder is entitled to apply for any Offer Shares which are in excess to its entitlements.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares.

Underwriting Agreement

Date:	17 October 2003
Underwriters:	Allied Luck, which is owned as to 50% by Mr. Wong and as to 50% by Mrs. Wong; and Ace Solomon, which is owned as to 11% by Mr. Wong, as to 46% by Mr. Kee and as to 43% by Ms. Loh
Total number of Offer Shares underwritten:	a maximum of 1,015,920,000 Offer Shares (assuming that no Preference Shares are converted prior to the Record Date) or a maximum of 1,025,040,024 Offer Shares (assuming that the Preference Shares are converted up to the applicable conversion limit prior to the Record Date)
Number of Offer Shares underwritten by Allied Luck:	a maximum of 309,275,100 Offer Shares (other than the Offer Shares offered to which Allied Luck, Canasia and Sparkle Power are entitled under the Open Offer as Qualifying Shareholders)
Number of Offer Shares underwritten by Ace Solomon:	all other Offer Shares (other than the Offer Shares to which Allied Luck, Canasia and Sparkle Power are entitled under the Open Offer as Qualifying Shareholders) which are not underwritten by Allied Luck, amounting to a maximum of 706,644,900 Offer Shares (assuming no Preference Shares are converted prior to the Record Date) or 715,764,924 Offer Shares (assuming the Preference Shares are converted up to the applicable conversion limit prior to the Record Date)
Underwriting commission:	Nil

Undertaking by the Significant Shareholders

As at the date of this announcement, the Significant Shareholders in aggregate hold 77,508,000 Shares, representing approximately 23.38% of the Company's existing issued ordinary share capital. Each of the Significant Shareholders has irrevocably undertaken to the Company that the Shares beneficially owned by each of them will remain registered in their respective names from the date of this announcement to the Record Date and they have also undertaken to subscribe or procure subscribers for their provisional entitlements in full, amounting to 310,032,000 Offer Shares.

The Offer Shares (other than the Offer Shares for which the Significant Shareholders have irrevocably undertaken to subscribe) will be underwritten firstly by Allied Luck up to 309,275,100 of such Offer Shares and secondly by Ace Solomon as to the remaining of such Offer Shares, such that all such Offer Shares shall be fully underwritten by the Underwriters on an aggregate basis.

In the event that the Underwriters are called upon to fulfil their underwriting obligations under the Underwriting Agreement in full, the aggregate shareholding of the Underwriters, namely Allied Luck and Ace Solomon, together with parties acting in concert with them (including Canasia and Sparkle Power) in the issued ordinary share capital of the Company as enlarged by the Open Offer would be increased from approximately 23.38% to approximately 84.68% (assuming no Preference Shares are converted prior to record date) or approximately 84.64% (assuming the Preference Shares are converted up to the applicable conversion limit prior to the Record Date).

Shareholding structure

Upon completion of the Open Offer, the shareholding structure of the Company will be as follows:

	Existing structure		Immediately after completion of the Open Offer (assuming that the Underwriters have to fulfil their obligations in full and no conversion of the Preference Share)		Immediately after completion of the Open Offer (assuming that the Underwriters have to fulfil their obligations in full and conversion of the Preference Shares up to the applicable limit)	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Allied Luck (<i>note</i>)	37,591,380	11.34	187,956,900	11.34	187,956,900	11.26
Allied Luck (as Underwriter)	–	–	309,275,100	18.66	309,275,100	18.53
Canasia	26,740,260	8.07	133,701,300	8.07	133,701,300	8.01
Sparkle Power	13,176,360	3.97	65,881,800	3.97	65,881,800	3.95
Ace Solomon	–	–	706,644,900	42.64	715,764,924	42.89
Sub-total	77,508,000	23.38	1,403,460,000	84.68	1,412,580,024	84.64
Preference Shareholders	–	–	–	–	2,280,006	0.14
Public shareholders	253,980,000	76.62	253,980,000	15.32	253,980,000	15.22
Total	331,488,000	100.00	1,657,440,000	100.00	1,668,840,030	100.00

Note: with respect to its entitlement under the Open Offer

Underwriting fee

The Company shall pay to the Underwriters only such out-of-pocket and other expenses reasonably and properly incurred by the Underwriters in connection with the Underwriting Agreement. No underwriting commission will be paid by the Company to the Underwriters.

Termination of the Underwriting Agreement

If (a) any of the conditions to the Underwriting Agreement are not fulfilled on or before 18 December 2003 or shall become incapable of being fulfilled on or before such time or date, or such later date as the Company and the Underwriters may agree in writing, or (b) any of the terms of the Underwriting Agreement is breached, the Underwriters shall have the right to terminate the Underwriting Agreement by written notice upon which the obligations of the Underwriters and the Company under the Underwriting Agreement shall terminate and cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement save in respect of any antecedent breach of any obligation under the Underwriting Agreement.

Although Allied Luck and Ace Solomon have no previous experience in underwriting securities, having considered factors such as the liquidity of the Shares, the size of the Open Offer and the fact that there are no force majeure provisions under the Underwriting Agreement, the Directors are of the view that the entering into of the Underwriting Agreement is beneficial to the Company and the Shareholders as a whole.

Conditions of the Open Offer

The Open Offer is conditional upon, among other things, each of the following events:

- (i) the approval of the Open Offer by the Shareholders at the EGM;
- (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Offer Shares;
- (iii) the obligations of the Underwriters under the Underwriting Agreement becoming unconditional in accordance with its terms;
- (iv) the filing and registration of all relevant documents with the Registrar of Companies in Hong Kong; and
- (v) compliance with all legal and regulatory requirements (including but not limited to approval of shareholders of the Company) (if any) in respect of the Open Offer.

Neither the Company nor the Underwriters may waive the conditions (i), (ii), (iv) and (v) above. Only the Underwriters have the right to waive condition (iii) above.

Expected Timetable

The expected timetable for the Open Offer is set out below:-

2003

Despatch of the circular in relation to the EGM to the Shareholders	Wednesday, 12 November
Last day of dealings in Shares on a cum-entitlement basis	Friday, 21 November
First day of dealings in Shares on an ex-entitlement basis	Monday, 24 November
Latest time for lodging transfers of Shares accompanied by the relevant title documents, conversion notice in respect of the Preference Shares accompanied by exercise monies in order to qualify for the Open Offer	4:00 p.m. on Tuesday, 25 November
Latest time for lodging forms of proxy for the EGM	10:00 a.m. on Wednesday, 26 November
Register of members closed (both dates inclusive)	Wednesday, 26 November to Friday, 28 November
EGM	10:00 a.m. on Friday, 28 November
Record Date for the Open Offer	Friday, 28 November
Despatch of the Prospectus Documents	Friday, 28 November
Announcement of results of the EGM	Monday, 1 December
Register of members re-opens	Monday, 1 December
Latest time for payment for and acceptance of the Offer Shares	4:00 p.m. on Monday, 15 December
Open Offer expected to become unconditional on or around	Thursday, 18 December
Announcement of results of acceptance of the Open Offer on or around	Friday, 19 December
Certificates for the Offer Shares expected to be despatched on or around	Monday, 22 December
Commencement of trading in the fully-paid Offer Shares	Wednesday, 24 December

Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Open Offer are indicative only and may be exercised or varied by agreement between the Company and the Underwriters. Any consequential changes to the expected timetable will be published by way of public announcements.

Reasons for the Open Offer and the use of proceeds

The Group is principally engaged in property investment and other investments in Hong Kong and the PRC. The audited consolidated net asset value of the Group as at 31 March 2002 and 31 March 2003 were approximately HK\$127,075,000 and HK\$135,491,000 respectively. The audited consolidated net loss of the Group for the two years ended 31 March 2003 were approximately HK\$78,965,000 and HK\$71,962,000 respectively.

The Group is aiming at diversifying its sources of income and further developing its existing business. At this juncture, the Group is exploring various business opportunities. The Directors consider that the Open Offer will enable the Group to raise funds to improve its financial position and to finance any future investment opportunities that may arise. The Company has been in negotiations in relation to possible property investments in the PRC which the Directors believe would enhance the Group's earnings and would generate attractive returns on investment for the Company. No formal agreement has been entered into and no definitive timetable has been set yet. Formal agreements regarding these possible investments may or may not be entered into. Moreover, as the Open Offer allows Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and participate in the future growth and development of the Company, the Directors consider that it is in the interests of the Company and its Shareholders as a whole, to raise capital through the Open Offer.

The net proceeds of the Open Offer after deducting expenses are expected to be not less than approximately HK\$131.7 million. Though currently not earmarked for any specific purpose, the net proceeds are intended to be used as to approximately HK\$100.0 million as funding for any potential future investments (including PRC property investments) and as to the remaining balance of approximately HK\$31.7 million as general working capital purposes of the Group. None of the net proceeds will be used for repayment of any loans of the Company.

The Company had raised net proceeds of approximately HK\$17.4 million by way of an open offer in November 2002. Such net proceeds were subsequently used to reduce part of the Company's indebtedness, which is in line with the intended use of such net proceeds as stated in the prospectus of the Company in relation to the open offer dated 13 December 2002. As at 31 March 2003, total indebtedness of the Group was approximately HK\$206.5 million.

POSSIBLE MANDATORY CASH OFFER FOR THE SHARES

If, as a result of the taking up of the Offer Shares by Allied Luck and/or Ace Solomon under the Underwriting Agreement, Allied Luck, Ace Solomon and parties acting in concert with them acquire Shares such that their aggregate holding of voting rights in the Company is increased to 30% or more, Allied Luck, Ace Solomon and parties acting in concert with them will be required under Rule 26 of the Takeovers Code to make a general offer for the Shares and the Preference Shares other than those held by Allied Luck, Ace Solomon and parties acting in concert with them. In such event, Asia Investment Capital Limited, on behalf of Allied Luck and Ace Solomon, will make an offer to acquire all the existing Shares and Preference Shares other than those already owned and/or agreed to be acquired by Allied Luck, Ace Solomon and/or parties acting in concert with it at the following offer price:

For each Share

HK\$0.10 in cash

For each Preference Share

HK\$0.0001 in cash

The offer price of HK\$0.10 per Share is equal to the subscription price for each Offer Share under the Open Offer.

As at the date of this announcement, there are 40,000,000 'A' Preference Shares and 28,400,000 'B' Preference Shares in issue, set out below are the principal terms of the Preference Shares:

'A' Preference Shares

Issue size: 40,000,000 'A' Preference Shares

Nominal value: HK\$0.10 per 'A' Preference Share

- Conversion:
- (i) Conversion Period I
Not more than HK\$1,333,332 equivalent nominal value of 'A' Preference Shares shall become convertible within a period of 12 months after the issue date at a conversion price of HK\$0.36 per Share
 - (ii) Conversion Period II
Not more than HK\$1,333,332 equivalent nominal value of 'A' Preference Shares shall become convertible within a period from the beginning of the 13th month up to the end of the 24th month after the issue date at a conversion price of HK\$0.60 per Share
 - (iii) Conversion Period III
Not more than HK\$1,333,336 equivalent nominal value of 'A' Preference Shares shall become convertible within a period from the beginning of the 25th month up to the end of the 36th month after the issue date at a conversion price of HK\$1.00 per Share

Dividend: Nil

Redemption: Redeemable at any time 50 years after the date of issue at the redemption value of HK\$10.00 per 'A' Preference Share

Voting: Carry no voting rights other than the voting rights on resolutions proposed to wind up the Company or to vary or abrogate the rights or privileges of the 'A' Preference Shareholders

'B' Preference Shares

Issue size: 28,400,000 'B' Preference Shares

Nominal value: HK\$0.10 per 'B' Preference Share

- Conversion:
- (iv) Conversion Period I
Not more than HK\$946,665 equivalent nominal value of 'B' Preference Shares shall become convertible within a period of 12 months after the issue date at a conversion price of HK\$0.36 per Share
 - (v) Conversion Period II
Not more than HK\$946,665 equivalent nominal value of 'B' Preference Shares shall become convertible within a period from the beginning of the 13th month up to the end of the 24th month after the issue date at a conversion price of HK\$0.60 per Share
 - (vi) Conversion Period III
Not more than HK\$946,670 equivalent nominal value of 'B' Preference Shares shall become convertible within a period from the beginning of the 25th month up to the end of the 36th month after the issue date at a conversion price of HK\$1.00 per Share

Dividend:	Nil
Redemption:	Redeemable at any time 50 years after the date of issue at the redemption value of HK\$10.00 per 'B' Preference Share
Voting:	Carry no voting rights other than the voting rights on resolutions proposed to wind up the Company or to vary or abrogate the rights or privileges of the 'B' Preference Shareholders

As at the date of this announcement, only HK\$1,333,336 equivalent nominal value of 'A' Preference Shares and HK\$946,670 equivalent nominal value of 'B' Preference Shares are convertible at a conversion price of HK\$1.00 per Share and are therefore currently out of money. Such conversion right will expire in September 2004. After that, no Preference Shares will be convertible. The Cash Offer of HK\$0.0001 per Preference Share represents a nominal price for such Preference Shares.

If after the completion of the Open Offer, the total number of Offer Shares actually subscribed by Allied Luck pursuant to its underwriting obligation under the Underwriting Agreement is less than 309,275,100 Offer Shares (excluding the Offer Shares to which it is entitled under the Open Offer as a Qualifying Shareholder) but the Cash Offer is triggered by virtue of the aggregate holding of voting rights of Allied Luck, Ace Solomon and their concerted parties in the Company being increased to 30% or more, then (i) the maximum number of Shares purchased by Allied Luck under the Cash Offer will be the difference between 309,275,100 Shares and the number of Offer Shares actually subscribed by Allied Luck pursuant to its underwriting obligation under the Underwriting Agreement (excluding the Offer Shares to which it is entitled under the Open Offer as a Qualifying Shareholder), and (ii) Ace Solomon will take up the remaining Shares tendered by the Shareholders to the Cash Offer. If after the completion of the Open Offer, the total number of Offer Shares actually subscribed by Allied Luck pursuant to its underwriting obligation under the Underwriting Agreement is 309,275,100 Offer Shares (excluding the Offer Shares to which it is entitled under the Open Offer as a Qualifying Shareholder) and the Cash Offer is triggered by virtue of the aggregate holding of voting rights of Allied Luck, Ace Solomon and their concerted parties in the Company being increased to 30% or more, then all the Shares tendered by the Shareholders under the Cash Offer will be solely purchased by Ace Solomon.

As at the date of this announcement, there are 331,488,000 Shares, 40,000,000 'A' Preference Shares and 28,400,000 'B' Preference Shares in issue. Upon completion of the Open Offer and assuming that the Preference Shares are converted up to the applicable conversion limit, the number of Shares will be increased to 1,668,840,030. Based on the offer price of HK\$0.10 per Share, the Cash Offer values the entire issued ordinary share capital of the Company at HK\$166,884,003. Asia Investment Capital Limited, the financial adviser to Allied Luck and Ace Solomon in relation to the Cash Offer, is satisfied that sufficient financial resources are available to the Allied Luck and Ace Solomon to satisfy full acceptance of the Cash Offer.

Allied Luck, Ace Solomon and parties acting in concert with them have confirmed that they have not acquired any voting rights in the Company during the six months prior to the date of the Underwriting Agreement.

As at 31 March 2003, the Company had an outstanding loan of HK\$11,696,000 owed to Goldbond Capital Investment Holdings Limited, a company owned by Mr. Wong and Mr. Kee. Goldbond Capital Investment Holdings Limited has irrevocably undertaken to the SFC that, should the Cash Offer materialise, it will not demand the Company to make any repayment for such loan from the commencement of the Cash Offer up to six months after the close of the Cash Offer, unless with the prior consent from the SFC.

The Shares and the Preference Shares will be acquired free from all third party rights, liens, claims, charges, pledges, options, equities, charges and encumbrances and together with all rights attaching thereto, including the right to receive all dividends, rights and distributions declared, paid or made on or after the date of this announcement.

Stamp Duty

Sellers' ad valorem stamp duty at the rate of HK\$1.00 per every HK\$1,000 or part thereof of the consideration arising on acceptance of the Cash Offer and the transfer of the Shares and the Preference Shares will be payable by accepting Shareholders and the Preference Shareholders respectively and such amounts will be deducted from the consideration paid to accepting Shareholders.

INFORMATION ON ALLIED LUCK AND ACE SOLOMON

Allied Luck is a private investment holding company incorporated in the British Virgin Islands with limited liability, and is owned as to 50% by Mr. Wong and as to 50% by Mrs. Wong, the spouse of Mr. Wong. The sole business activity of Allied Luck is its investment holding in approximately 11.34% of the Company's issued ordinary share capital as at the date of this announcement.

Ace Solomon is a private investment holding company incorporated in the British Virgin Islands with limited liability, and is owned as to 11% by Mr. Wong, 46% by Mr. Kee and 43% by Ms. Loh. Since its incorporation on 16 May 2003, Ace Solomon has not carried on any business other than entering into the Underwriting Agreement.

All of Mr. Wong, Mr. Kee and Ms. Loh are existing Directors. Details of these Directors are contained in the annual report of the Company for the year ended 31 March 2003.

Pursuant to a sale and purchase agreement dated 27 January 2003, Allied Luck, Canasia and Sparkle Power became shareholders of the Company and Mr. Wong, Mr. Kee and Ms. Loh, among others, were nominated to the Board on 28 January 2003.

INTENTION OF ALLIED LUCK AND ACE SOLOMON REGARDING THE FUTURE OF THE COMPANY

It is neither the intention of Allied Luck nor Ace Solomon to make any material changes to the principal activities of the Group or to amend the Company's stated strategy as described above. Each of Allied Luck and Ace Solomon also has no plan to inject any of its respective assets into the Company and/or to redeploy any fixed assets of the Company.

Allied Luck and Ace Solomon do not expect that there will be any material changes to the continued employment of the employees of the Group as a result of the Cash Offer. Each of Allied Luck and Ace Solomon has no intention to appoint any new directors onto the Board or does it expect any existing Directors will resign following the closing of the Cash Offer.

MAINTAINING THE LISTING STATUS OF THE COMPANY

It is the intention of Allied Luck and Ace Solomon that the listing of the Shares on the Stock Exchange should be maintained. Accordingly, Ace Solomon has undertaken to the Stock Exchange, in terms to be agreed with the Stock Exchange, to take appropriate steps as soon as practicable following the close of the Open Offer and the Cash Offer to ensure that such number of the Shares as may be required by the Stock Exchange are held by the public. The Stock Exchange has stated that, in the event that less than 25% of the Shares are in public hands following the closing of the Open Offer and the Cash offer; or if the Stock Exchange believes that a false market exists or may exist in the Shares or that there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares.

If the Company remains as a listed company, any future injections into or disposals of the Company will be subject to the provisions of the Listing Rules. Pursuant to the Listing Rules, the Stock Exchange has a discretion to require the Company to issue a circular to its shareholders where any acquisition or disposal by the Company is proposed, irrespective of the size of such acquisition or disposal and in particular where such acquisition or disposal represents a departure from the principal activities of the Company. The Stock Exchange also has the power pursuant to the Listing Rules to aggregate a series of acquisitions or disposals by the Company and any such acquisitions or disposals may, in any event, result in the Company being treated as a new applicant for listing and subject to the requirements for new applicants as set out in the Listing Rules.

GENERAL

Under the Listing Rules, independent shareholders' approval will be required for the Open Offer. The Significant Shareholders will abstain from voting on the resolution to approve the Open Offer at the EGM. An Independent Board Committee will be established to advise the Shareholders on the terms of the Open Offer. A circular containing, among other matters, details of the Open Offer, a letter of advice from the Independent Board Committee to the Shareholders, a letter of advice from the independent financial adviser to the Independent Board Committee, and the notice for the EGM will be despatched to the Shareholders as soon as possible.

Rule 8.2 of the Takeovers Code provides that an offer document should normally be posted within 21 days of the date of this announcement. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Executive's consent is required if the making of the Cash Offer is subject to the prior fulfilment of certain conditions precedent and the conditions precedent cannot be fulfilled within the time periods contemplated by Rule 8.2 of the Takeovers Code. Application will be made by Allied Luck and Ace Solomon for a waiver from strict compliance with Rule 8.2 of the Takeovers Code to extend the time limit for the despatch of the composite offer document from within 21 days of the date of this announcement to within seven days from the date of fulfilment of the conditions precedent of the Open Offer.

Trading in the Shares was suspended at the request of the Company as from 9:30 a.m. on 17 October 2003 pending the publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 23 October 2003.

Warning: The Open Offer and the Cash Offer are subject to a number of conditions, in particular the Open Offer is subject to the approval by the Shareholders voted at the EGM. Shareholders and other potential investors should therefore exercise extreme caution when dealing in the Shares.

TERMS USED IN THIS ANNOUNCEMENT

"A" Preference Share(s)"

the non-interest bearing redeemable convertible preference share(s) of par value HK\$0.10 each in the existing preference share capital of the Company issued on 18 September 2001

"Ace Solomon"

Ace Solomon Investments Limited, a company incorporated in the British Virgin Islands with limited liability and which is owned as to 11% by Mr. Wong, 46% by Mr. Kee and 43% by Ms. Loh, and one of the Underwriters

“Allied Luck”	Allied Luck Trading Limited, a company incorporated in the British Virgin Islands and owned as to 50% by Mr. Wong and as to 50% by Mrs. Wong, and holds approximately 11.34% of the Company’s issued ordinary share capital, and one of the Underwriters
“‘B’ Preference Share(s)”	the non-interest bearing redeemable convertible preference share(s) of par value HK\$0.10 each in the existing preference share capital of the Company issued on 18 September 2001
“Board”	board of the Directors
“Business Day(s)”	day(s) on which banks are open for business in Hong Kong (excluding Saturdays)
“Canasia”	Canasia Profits Corporation, a company incorporated in the British Virgin Islands and wholly-owned by Mr. Kee, which holds approximately 8.07% of the Company’s issued ordinary share capital
“Cash Offer”	the possible mandatory cash offer to be made by Asia Investment Capital Limited, on behalf of Allied Luck and Ace Solomon, to acquire all the issued Shares and Preference Shares not already owned and/or agreed to be acquired by Allied Luck, Ace Solomon and parties acting in concert with them at HK\$0.10 per Share and HK\$0.0001 per Preference Share respectively
“Company”	Goldbond Group Holdings Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“EGM”	the extraordinary general meeting of the Company to be convened to approve the Open Offer
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee comprising the independent non-executive Directors formed to advise the Shareholders in respect of the Open Offer
“Mr. Kee	Mr. Kee Wah Sze, an executive Director
“Mr. Ko”	Mr. Ko Po Ming, an executive Director
“Ms. Loh”	Ms. Loh Jiah Yee, Katherine, an executive Director
“Mr. Wong”	Mr. Wong Yu Lung, Charles, an executive Director
“Mrs. Wong”	Mrs. Wong Fang Pik Chun, the spouse of Mr. Wong
“Open Offer”	the proposed open offer of four Offer Shares for every existing Share held
“Offer Share(s)”	new Share(s) to be issued under the Open Offer
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the close of business on the Record Date and whose registered address(es) as shown on such register is(are) outside Hong Kong where, in the opinion of the Directors, the Offer Shares may not be offered to them without compliance with registration and/or other legal or regulatory requirements in such jurisdictions
“PRC”	the People’s Republic of China
“Preference Share(s)”	‘A’ Preference Share(s) and ‘B’ Preference Share(s)
“Preference Shareholder(s)”	holder(s) of the Preference Share(s), whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and who are not entitled to the Offer Shares by virtue of the difference in rights attached to the Shares and the Preference Shares
“Prospectus”	a prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus together with the provisional allotment letter

“Qualifying Shareholder(s)”	the Shareholder(s), other than the Overseas Shareholder(s), whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es), as shown on such register of members of the Company, is(are) in Hong Kong
“Record Date”	28 November 2003, being the date by reference to which entitlements under the Open Offer will be determined
“SFC”	The Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) in issue
“Sparkle Power”	Sparkle Power Technology Limited, a company incorporated in the British Virgin Islands which is owned as to 50% by Ms. Loh and as to 50% by Mr. Ko, and holds approximately 3.97% of the Company’s issued ordinary share capital
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Significant Shareholders”	Allied Luck, Canasia and Sparkle Power, holding an aggregate of approximately 23.38% of the issued ordinary share capital of the Company as at the date of this announcement
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriters”	Allied Luck and Ace Solomon, being the underwriters of the Open Offer
“Underwriting Agreement”	the agreement dated 17 October 2003 entered into between the Company, Allied Luck and Ace Solomon in relation to the Open Offer
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Goldbond Group Holdings Limited
Lam Kwok Wah
Company Secretary

Hong Kong, 22 October 2003

The directors of the Company accept full responsibility for the accuracy of the information contained in this announcement (except for the information relating to Ace Solomon and Allied Luck) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of Ace Solomon accept full responsibility for the accuracy of the information contained in this announcement (except for the information relating to the Company and Allied Luck) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of Allied Luck accept full responsibility for the accuracy of the information contained in this announcement (except for the information relating to the Company and Ace Solomon) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

Please also refer to the published version of this announcement in The Standard dated on 23-10-2003.