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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)*

**(Stock code: 00172)**

### **DISCLOSEABLE TRANSACTION REVOLVING FACTORING FACILITY AGREEMENT**

The Board wishes to announce that on 12 September 2014 after trading hours, Jiangsu Goldbond, an indirect wholly-owned subsidiary of the Company, entered into the Revolving Factoring Facility Agreement with Shenzhen Huarongfeng and the Guarantor whereby Jiangsu Goldbond agreed to provide recourse factoring services for a fixed term of two years commencing from the First Prepayment Date.

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Revolving Factoring Facility Agreement are above 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

The Board announces that on 12 September 2014 after trading hours, Jiangsu Goldbond, an indirect wholly-owned subsidiary of the Company, entered into the Revolving Factoring Facility Agreement with Shenzhen Huarongfeng and the Guarantor whereby Jiangsu Goldbond agreed to provide certain recourse factoring services. Set out below are the principal terms of the Revolving Factoring Facility Agreement:

#### **THE REVOLVING FACTORING FACILITY AGREEMENT**

Date : 12 September 2014

Parties : (i) Jiangsu Goldbond  
(ii) Shenzhen Huarongfeng  
(iii) Guarantor

Shenzhen Huarongfeng is principally engaged in the business of investment in industrial sector, domestic commerce and materials supply whereas the Guarantor is principally engaged in the business of trading of coal, medical equipment, machinery and automotive accessories, production of petrochemical products and industry cleaning products.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Shenzhen Huarongfeng, the Guarantor and their ultimate beneficial owner(s) are third parties independent of the Company and its connected persons and are not connected persons of the Company.

Factoring arrangement : Pursuant to the Revolving Factoring Facility Agreement and subject to fulfilment of certain conditions by Shenzhen Huarongfeng pursuant to the terms of the Revolving Factoring Facility Agreement, Jiangsu Goldbond will acquire from Shenzhen Huarongfeng and Shenzhen Huarongfeng will assign to Jiangsu Goldbond the Account Receivable(s) and Jiangsu Goldbond will, after receiving the factoring handling fee, prepay Shenzhen Huarongfeng before the relevant due date(s) of the Account Receivable(s) an amount equivalent to the face amount of the Account Receivable outstanding at the relevant time multiplied by an agreed prepayment ratio to which the Account Receivable(s) relates. Interest on the prepayment shall be charged at the rate of 8% per annum and shall be payable monthly by Shenzhen Huarongfeng to Jiangsu Goldbond. The prepayment under the Revolving Factoring Facility Agreement was determined by Jiangsu Goldbond and Shenzhen Huarongfeng with reference to a revolving factoring facility in the maximum principal amount of RMB120 million (equivalent to approximately HK\$151.90 million) to be provided by Jiangsu Goldbond to Shenzhen Huarongfeng. Should the debtor(s) fail to settle the Account Receivable(s) in full within a period not more than 90 days after relevant due date(s) of Account Receivable(s), Jiangsu Goldbond may request Shenzhen Huarongfeng to repurchase the Account Receivable(s) remain(s) outstanding at the relevant time or settle all outstanding prepayment, interest and factoring handling fee owing to Jiangsu Goldbond under the Revolving Factoring Facility Agreement.

Conditions to transfer of Account Receivable : Prior to the transfer of each Account Receivable and application by Shenzhen Huarongfeng for a prepayment, Shenzhen Huarongfeng is required to fulfil certain conditions including but not limited to the following:

- (a) the application made by Shenzhen Huarongfeng in respect of the recourse factoring services for each Account Receivable in the form as provided under the Revolving Factoring Facility Agreement;
- (b) the acceptance by Shenzhen Huarongfeng of the confirmation letter issued by Jiangsu Goldbond in respect of the acquisition of the Account Receivable with relevant terms stated therein;

- (c) in the opinion of Jiangsu Goldbond, there is no material adverse change to the business operation and financial position of Shenzhen Huarongfeng;
- (d) the provision of the relevant commercial documents by Shenzhen Huarongfeng including but not limited to the relevant sales contracts.

Prepayment ratio	:	An agreed percentage of the face amount of each Account Receivable to be determined on a case-by-case basis which will be used for the determination of the amount of prepayment in respect of each Account Receivable to be made by Jiangsu Goldbond to Shenzhen Huarongfeng.
Factoring handling fee	:	An agreed service charge payable by Shenzhen Huarongfeng to Jiangsu Goldbond for the provision of the factoring service to be determined on a case-by-case basis and in each case, such fee will be calculated based on the amount of the relevant prepayment to be made by Jiangsu Goldbond at an annual rate of 2%.
Term of the factoring arrangement	:	Fixed term of two years commencing from the First Prepayment Date and Shenzhen Huarongfeng and Jiangsu Goldbond to extend such period for one year. The relevant due date(s) of Account Receivable(s) to be assigned by Shenzhen Huarongfeng to Jiangsu Goldbond should be at least more than 90 days from the expiry of the term of the factoring arrangement.
Guarantee by the Guarantor	:	The Guarantor agreed to guarantee the obligations and liabilities of Shenzhen Huarongfeng under the Revolving Factoring Facility Agreement.

## **CONDITIONS PRECEDENT TO THE REVOLVING FACTORING FACILITY AGREEMENT**

The Revolving Factoring Facility Agreement is conditional upon the fulfillment of, inter alia, the following conditions:

- (a) the entering into of the Revolving Factoring Facility Agreement and the transactions contemplated thereunder do not constitute a major transaction, a very substantial disposal or a very substantial acquisition of the Company under the Listing Rules;
- (b) Shenzhen Huarongfeng having provided Jiangsu Goldbond with a copy of resolutions of its board or relevant decision-making body of Shenzhen Huarongfeng approving the Revolving Factoring Facility Agreement and the transactions contemplated thereunder.

The above conditions must be fulfilled and are incapable of being waived. If any condition precedent cannot be fulfilled by 30 September 2014 or such later date as may be agreed between the parties, the Revolving Factoring Facility Agreement will lapse automatically and in which event all rights and obligations of the parties under the Revolving Factoring Facility Agreement shall determine and no party shall have any claim against the other parties.

## REASONS AND BENEFITS OF THE TRANSACTION

The Group is principally engaged in the provision of financing services targeting small and medium size enterprise in Hong Kong and the PRC and holding of interests in joint ventures. Jiangsu Goldbond is a limited liability company established in the PRC mainly engaged in the business of provision of factoring services to its customers. The terms of the Revolving Factoring Facility Agreement were agreed among Jiangsu Goldbond, Shenzhen Huarongfeng and the Guarantor after arm's length negotiations.

The Directors consider that the entering into of the Revolving Factoring Facility Agreement is in the ordinary and usual course of business of Jiangsu Goldbond and that will generate revenue and cashflow stream from the interest and factoring handling fee received. The provision of prepayments to Shenzhen Huarongfeng under the Revolving Factoring Facility Agreement will be financed by internal resources and/or bank borrowings of the Group. The Board is of the view that the Revolving Factoring Facility Agreement is entered into upon normal commercial terms and that the terms of the Revolving Factoring Facility Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## GENERAL

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Revolving Factoring Facility Agreement are above exceeds 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Account Receivable(s)”	the account receivable(s) to be assigned by Shenzhen Huarongfeng to Jiangsu Goldbond pursuant to the arrangement set out in the Revolving Factoring Facility Agreement
“Board”	the board of Directors
“Company”	Goldbond Group Holdings Limited (stock code: 00172), a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“First Prepayment Date”	the date on which the first prepayment is made by Jiangsu Goldbond to Shenzhen Huarongfeng pursuant to the terms of the Revolving Factoring Facility Agreement
“Group”	the Company and its subsidiaries
“Guarantor”	China Huayang Economic and Trading Group Co. Ltd* 中國華陽經貿集團有限公司, a company established in PRC with limited liability
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jiangsu Goldbond”	Jiangsu Goldbond Factoring Co. Ltd* 江蘇金榜商業保理有限公司, a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which shall, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Revolving Factoring Facility Agreement”	the agreement entered into between Jiangsu Goldbond, Shenzhen Huarongfeng and the Guarantor relating to the provision of factoring services dated 12 September 2014
“Shenzhen Huarongfeng”	Shenzhen Huarongfeng Group Co. Ltd* 深圳市華榮豐實業（集團）有限公司, a company established in the PRC with limited liability and a wholly-owned subsidiary of the Guarantor
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transactions contemplated under the Revolving Factoring Facility Agreement

\* English translated name is for identification purpose only

*Unless otherwise defined, for the purpose of this announcement and for the purpose of illustration only, HK\$ amounts have been translated using the following rates:*

*RMB1 : HK\$1.2658*

*Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.*

By order of the Board  
**Goldbond Group Holdings Limited**  
**Kelly Li**  
*Company Secretary*

Hong Kong, 12 September 2014

*As at the date of this announcement, the Board comprises Mr. Wang Jun, Mr. Wong Yu Lung, Charles, Mr. Ding Chung Keung, Ms. Wong, Michelle Yatyee and Mr. Melvin Jitsumi Shiraki (all being executive Directors), Mr. Ma Ho Fai SBS JP, Mr. Cheng Yuk Wo and Mr. Ng Chi Keung MH (all being independent non-executive Directors).*