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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)**

### **VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION IN RELATION TO THE DEEMED DISPOSAL OF CERTAIN INTEREST IN RZ CAPITAL**

**Financial Adviser to the Company**



**Halcyon Capital Limited**

#### **THE SUBSCRIPTION**

On 2 May 2013 (after trading hours), RZ Capital, an indirect non-wholly owned subsidiary of the Company, entered into the Subscription Agreement with the Subscribers, the Management Investors and Mr. Xie, pursuant to which the Subscribers conditionally agreed to subscribe for and RZ Capital conditionally agreed to allot and issue the Subscription Shares, being 4,422 new RZ Capital Shares, at an aggregate consideration of US\$3.0 million (equivalent to approximately HK\$23.4 million). The Subscription Shares represent approximately 4.42% of the existing issued share capital of RZ Capital and approximately 4.24% of the issued share capital of RZ Capital as enlarged by the issue of the Subscription Shares. RZ Capital is currently a 50.06%-owned subsidiary of the Company. Upon Completion, the Company's equity interest in RZ Capital will be reduced to approximately 47.94% and RZ Capital will cease to be a subsidiary of the Company.

Upon Completion, RZ Capital, the RZ Capital Shareholders, Mr. Xie and the Management Investors will enter into the Shareholders' Agreement to amend and restate the 2011 Shareholders' Agreement.

It is estimated that the net proceeds from the Subscription is approximately HK\$19 million and the RZ Capital Group intends to apply the net proceeds from the Subscription as its general working capital.

## LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Deemed Disposal is more than 75%, the Subscription constitutes a very substantial disposal for the Company under the Listing Rules. As Capital Grower is wholly-owned by Mr. Xie, who is a connected person of the Company by virtue of being a Director within the preceding 12 months and currently a director of the RZ Capital Group (being subsidiaries of the Company), and the Management SPV is 60% held by Mr. Cai, who is a connected person of the Company by virtue of being a director of a subsidiary of RZ Capital, the Subscription also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Accordingly, the Subscription is subject to the reporting, announcement and the approval by the Independent Shareholders at the EGM by way of poll.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, neither the Subscribers, namely Capital Grower and the Management SPV, nor any of their respective associates hold any Shares and therefore no Shareholder and its associates are required to abstain from voting on the proposed resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder at the EGM. The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Ma Ho Fai SBS JP, Mr. Cheng Yuk Wo and Mr. Ng Chi Keung MH, has been established to give recommendation to the Independent Shareholders regarding the Subscription. Messis Capital Limited, has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

## GENERAL

A circular containing, among other things, (i) further details of the Subscription; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) the letter from Messis Capital Limited, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the EGM, will be despatched to the Shareholders on or before 24 May 2013.

**As Completion is subject to satisfaction and/or waiver of a number of conditions precedent, the Subscription may or may not proceed. Shareholders and investors should exercise caution when dealing in the Shares.**

## THE SUBSCRIPTION

On 2 May 2013 (after trading hours), RZ Capital, an indirect non-wholly owned subsidiary of the Company as at the date of this announcement, entered into the Subscription Agreement with the Subscribers, the Management Investors and Mr. Xie, pursuant to which the Subscribers conditionally agreed to subscribe for and RZ Capital conditionally agreed to allot and issue the Subscription Shares, being 4,422 new RZ Capital Shares, at an aggregate consideration of US\$3.0 million (equivalent to approximately HK\$23.4 million). Upon Completion, the Company's equity interest in RZ Capital will be reduced to approximately 47.94% and RZ Capital will cease to be a subsidiary of the Company. Details of the Subscription Agreement are set out below:

## **The Subscription Agreement**

Date	:	2 May 2013
Issuer	:	RZ Capital
Subscribers	:	Capital Grower, as to 737 new RZ Capital Shares Management SPV, as to 3,685 new RZ Capital Shares
Management Investors	:	Mr. Cai, Mr. Fu and Mr. Peng
Mr. Xie	:	Mr. Xie Xiaoqing

Capital Grower is an investment holding company and is wholly and beneficially owned by Mr. Xie, a Director within the preceding 12 months and currently a director of the RZ Capital Group. The Management SPV is an investment vehicle owned as to 60% by Mr. Cai, 20% by Mr. Peng and 20% by Mr. Fu. Mr. Cai is a director of the operating subsidiary of RZ Capital. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save that Mr. Peng and Mr. Fu are the senior management of the operating subsidiary of RZ Capital, Mr. Peng and Mr. Fu are Independent Third Parties.

## **Subscription Shares**

The Subscribers have conditionally agreed to subscribe for, and RZ Capital has conditionally agreed to allot and issue, the Subscription Shares, being 4,422 new RZ Capital Shares. The Subscription Shares represent approximately 4.42% of the existing issued share capital of RZ Capital and approximately 4.24% of the issued share capital of RZ Capital as enlarged by the issue of the Subscription Shares.

RZ Capital is currently a 50.06%-owned subsidiary of the Company. Upon Completion, the Company's equity interest in RZ Capital will be reduced to approximately 47.94% and RZ Capital will cease to be a subsidiary of the Company. For further details on the RZ Capital Group, please refer to the section headed "Information on the RZ Capital Group" below.

## **Subscription price**

The aggregate subscription price of the Subscription Shares is US\$3.0 million (equivalent to approximately HK\$23.4 million) which shall be payable by cash as to US\$0.5 million (equivalent to approximately HK\$3.9 million) by Capital Grower and as to US\$2.5 million (equivalent to approximately HK\$19.5 million) by the Management SPV upon Completion.

The subscription price of the Subscription Shares was arrived at after arm's length negotiations between RZ Capital and the Subscribers and was principally determined with reference to, among other things, (i) the subscription price per subscription share under the 2011 Subscription Agreements; (ii) the unaudited consolidated net assets value of the RZ Capital Group of approximately HK\$409.9 million as at 30 September 2012; (iii) the track record of the RZ Capital Group; and (iv) the prospects of the RZ Capital Group.

## Conditions precedent to the Subscription

Completion shall be subject to, amongst others, the following conditions precedent:

- (i) RZ Capital having performed and complied with, in all material respects, all covenants and obligations required to be performed or complied with by it under the Subscription Agreement on or before the date of Completion;
- (ii) each of the Subscribers having performed and complied with, in all material respects, all covenants and obligations required to be performed or complied with by it under the Subscription Agreement on or before the date of Completion;
- (iii) all consents required in connection with the issuance and subscription of the Subscription Shares pursuant to the Subscription Agreement and the performance of the transactions contemplated under, inter alia, the Subscription Agreement and the Shareholders' Agreement, including without limitation, the approval of the Shareholders in respect of consummation of the transactions contemplated under, inter alia, the Subscription Agreement and the Shareholders' Agreement, having been obtained;
- (iv) the compliance by the Company in material respect of all relevant provisions of the Listing Rules and other requirements of the Stock Exchange in respect of the consummation of the transactions contemplated under, inter alia, the Subscription Agreement and the Shareholders' Agreement;
- (v) the Shareholders' Agreement having been executed by the Subscribers on Completion; and
- (vi) the RZ Group Shareholders' Agreement having been executed by the parties thereto on Completion.

The Subscribers may at any time waive in whole or in part any of the conditions precedent set out in the Subscription Agreement (other than paragraphs (ii), (iii), (iv), (v) and (vi) above) by notice to RZ Capital before Completion. RZ Capital may at any time waive in whole or in part the condition precedent set out in paragraph (ii) above by notice to the Subscribers before Completion. If the conditions precedent set out in the Subscription Agreement have not been fulfilled or waived on or before 30 June 2013 (or such later date as may be agreed in writing by RZ Capital and the Subscribers), any party may terminate the Subscription Agreement.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, neither RZ Capital nor the Subscribers have any intention to waive any conditions precedent to the Subscription Agreement as at the date of this announcement.

Mr. Xie has irrevocably and unconditionally undertaken to RZ Capital that in the event that any Management Investor(s) (i) fails to invest into the Management SPV or (ii) fails to pursue all necessary steps to undertake his respective investment commitment(s) into the Management SPV, Mr. Xie shall take up, or procure the taking up of, such investment commitment(s) so as to consummate the subscription of the Subscription Shares by the Management SPV pursuant to the Subscription Agreement.

## Completion

Completion shall take place on the third (3rd) Business Day following the fulfilment or waiver of all of the conditions precedent set out in the Subscription Agreement (other than those conditions precedent that by their terms are intended to or may be fulfilled at Completion) or on such other date as the parties thereto may agree in writing.

Upon Completion, RZ Capital will cease to be a subsidiary of the Company and the results and financial position of the RZ Capital Group will no longer be consolidated into the consolidated financial statements of the Group.

## Shareholders' Agreement

As disclosed in the 2011 Announcement and the 2011 Circular, Silver Creation, a wholly-owned subsidiary of a leading PRC-focused private equity firm, was introduced to invest in RZ Capital and RZ Group and the 2011 Shareholders' Agreement and the 2011 RZ Group Shareholders' Agreement were entered into by respective parties thereto to govern certain rights and obligations of the respective shareholders of RZ Capital and RZ Group. Upon Completion, RZ Capital, the Subscribers, Perfect Honour, Silver Creation, the Xie-Legend-Plenty Entities, Mr. Xie and the Management Investors will enter into the Shareholders' Agreement to restate and amend the terms of the 2011 Shareholders' Agreement to govern certain rights and obligations among all existing and new RZ Capital Shareholders. The principal terms of the 2011 Shareholders' Agreement have been set out in the 2011 Announcement and the 2011 Circular. Set out below are the proposed major amendments to the principal terms of the 2011 Shareholders' Agreement to be incorporated in the Shareholders' Agreement:

### (1) Repurchase or redemption of shares

The terms for redemption or repurchase of the RZ Capital Shares as stated in the 2011 Shareholders' Agreement remain the same in the Shareholders' Agreement except the following:

#### **Principal terms as set out in the 2011 Shareholders' Agreement**

#### **Proposed amendments to be incorporated in the Shareholders' Agreement**

*Commencement of the Proposed IPO, change of business of RZ Capital and RZ Group and ownership of the Company*

If any of the following events occurs before the completion of the Proposed IPO of RZ Capital:

- (A) Perfect Honour, Mr. Xie or any of the Xie-Legend-Plenty Entities unreasonably or improperly objects, delays or otherwise obstructs the Proposed IPO when RZ Capital or RZ Group has already met the listing requirements;

(B) unless otherwise agreed to in writing by all of the RZ Capital Shareholders or the shareholders of RZ Group (as the case may be), RZ Capital or RZ Group (as the case may be) still has not started listing preparation work in relation to the Proposed IPO before 31 December 2012;

The date would be changed from 31 December 2012 to 31 December 2013.

(C) at the the direction of Perfect Honour, Mr. Xie or any of the Xie-Legend-Plenty Entities but against the advice of Silver Creation acting reasonably, RZ Capital or RZ Group (as the case may be) embarks on new sectors that are irrelevant to their respective original businesses; or

(D) the direct or indirect percentage ownership of Mr. Wong Yu Lung, Charles, the controlling Shareholder, together with his affiliates and parties acting in concert with any of them, in the Company drops below 35%,

and such event is not caused by or as a result of any default, fraud, misconduct or negligence of Silver Creation or any of its affiliates, Silver Creation may, by written notice, require Perfect Honour and the Xie-Legend-Plenty Entities to jointly elect either of the following:

(a) procure RZ Capital to redeem, and RZ Capital shall redeem, on a several basis, a pro rata portion of their respective RZ Capital Shares such that Silver Creation's beneficial ownership in the total issued RZ Capital Shares will reach 50.1% ("**Event A**") and Perfect Honour and the Xie-Legend-Plenty Entities' beneficial ownership in the total issued RZ Capital Shares will become approximately 35.43% and 14.47% respectively;

The respective shareholding of Perfect Honour and the Xie-Legend-Plenty Entities in RZ Capital after completion of Event A would be changed from approximately 35.43% and approximately 14.47% respectively to approximately 30.10% and approximately 12.29% respectively.

or

(b) on a several basis, purchase all (but not part) of the RZ Capital Shares and the RZ Group Shares (provided that the Proposed IPO in relation to RZ Group has not taken place at that time) held by Silver Creation such that after completion of such repurchase ("**Event B**"), the respective shareholding of Perfect Honour and the Xie-Legend-Plenty Entities in each of RZ Capital and RZ Group (as the case may be) shall be 71% and 29% respectively.

The respective shareholding of Perfect Honour and the Xie-Legend-Plenty Entities in RZ Capital after completion of Event B would be changed from 71% and 29% respectively to approximately 67.99% and approximately 27.77% respectively.

### *Non-completion of the Proposed IPO*

Unless otherwise agreed to in writing by all of the RZ Capital Shareholders, if RZ Capital has not completed the Proposed IPO before 31 December 2015 (other than due to or as a result of any material default, fraud, misconduct or negligence of Silver Creation), Silver Creation may request Perfect Honour and the Xie-Legend-Plenty Entities to elect jointly, at their sole and absolute discretion, either:

- (a) on a several basis, purchase all (but not part) of the RZ Capital Shares and the RZ Group Shares (provided that the Proposed IPO in relation to RZ Group has not taken place at that time) held by Silver Creation (“**Event C**”); or
- (b) procure RZ Capital and RZ Group to redeem all (but not part) of the RZ Capital Shares and the RZ Group Shares (provided that the Proposed IPO in relation to RZ Group has not taken place at that time) held by Silver Creation (“**Event D**”),

such that after completion of the above, the respective shareholding of Perfect Honour and the Xie-Legend-Plenty Entities in each of RZ Capital and RZ Group (as the case may be) shall be 71% and 29% respectively.

The respective shareholding of Perfect Honour and the Xie-Legend-Plenty Entities in RZ Capital after completion of: (i) Event C would be changed from 71% and 29% respectively to approximately 67.99% and approximately 27.77% respectively; and (ii) Event D would be changed from 71% and 29% respectively to approximately 66.81% and approximately 27.29% respectively.

As stated in the 2011 Circular, the Company will comply with the requirements of the Listing Rules as and when required if Silver Creation makes the request as aforesaid. For the avoidance of doubt, as the aforesaid obligation regarding repurchase or redemption of the RZ Capital Shares and/or the RZ Group Shares under the Shareholders’ Agreement is triggered not at the discretion of the Company, is part and parcel of the Subscription and the transactions contemplated thereunder and will form part of the resolution to be proposed for the Independent Shareholders’ approval at the EGM, no general meeting of the Company is required to be held to approve the same again if Silver Creation makes the request as aforesaid but such repurchase or redemption will be subject to the announcement requirement pursuant to Rule 14A.69(2) of the Listing Rules.

Please refer to the paragraph headed “Shareholding structure of RZ Capital” under the section headed “Information on the RZ Capital Group” below for details of the proposed shareholding structure of RZ Capital immediately upon completion of each of Event A, Event B, Event C and Event D.

(2) Appointment of directors

The number of directors of RZ Capital which Perfect Honour shall be entitled to nominate would be changed from three to two and which Silver Creation shall be entitled to nominate would be changed from one to two, and neither Capital Grower nor the Management SPV shall have any right to nominate any director.

(3) Undertaking by the Management Investors

Each of the Management Investors and the Management SPV undertakes (i) to take all necessary actions or cause all necessary actions to be taken to consummate the Proposed IPO of RZ Capital and (ii) not to, directly or indirectly, take any action or cause any action to be taken which is likely or intended to obstruct, interfere with or otherwise disrupt consummation of the Proposed IPO of RZ Capital at any time after the date of the Shareholders' Agreement.

The Directors (other than the independent non-executive Directors who will be advised by the independent financial adviser) are of the view that the foregoing proposed amendments to the 2011 Shareholders' Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **RZ Group Shareholders' Agreement**

Upon Completion, RZ Group, Perfect Honour, Silver Creation, the Xie-Legend-Plenty Entities and Mr. Xie will enter into the RZ Group Shareholders' Agreement to supplement the terms of the 2011 RZ Group Shareholders' Agreement (the principal terms of which have been set out in the 2011 Announcement and the 2011 Circular) as a result of the signing of the Shareholders' Agreement, namely, (a) the timing for commencement of the listing preparation work in relation to the Proposed IPO which may trigger the obligations for redemption or repurchase of the RZ Capital Shares and/or the RZ Group Shares would be changed to 31 December 2013; and (b) the respective shareholding of Perfect Honour and the Xie-Legend-Plenty Entities in RZ Capital (i) after completion of repurchase of the RZ Capital Shares held by Silver Creation in full by Perfect Honour and the Xie-Legend-Plenty Entities would be changed from 71% and 29% respectively to approximately 67.99% and approximately 27.77% respectively and (ii) after completion of redemption of the RZ Capital Shares held by Silver Creation in full by RZ Capital would be changed from 71% and 29% respectively to approximately 66.81% and approximately 27.29% respectively.

### **INFORMATION ON THE RZ CAPITAL GROUP**

The RZ Capital Group principally engages in the provision of a wide range of financial leasing services, such as direct leasing, sales and leaseback, leveraged leasing, lease with buy-back undertaking, and other related financial services in the PRC. The target customer group is SMEs across the PRC and the current customer base spans over various provinces and cities in the PRC, including Anhui, Beijing, Chongqing, Guangdong, Guizhou, Hebei, Henan, Hubei, Hunan, Inner Mongolia, Jiangsu, Jilin, Liaoning, Shaanxi, Shandong, Shanghai, Sichuan, Tianjin, Yunnan and Zhejiang. The RZ Capital Group has commenced its financial leasing business since 2008 after the obtaining of the wholly foreign-owned leasing licence from the government authority of the PRC.



Set out below is audited consolidated financial information of the RZ Capital Group prepared in accordance with the Hong Kong Financial Reporting Standards for the years ended 31 March 2011 and 2012:

	<b>For the year ended 31 March</b>	
	2012 <i>HK\$' million</i>	2011 <i>HK\$' million</i>
Revenue	100.1	35.2
Profit before taxation	39.6	24.1
Profit for the year	<u>30.9</u>	<u>19.6</u>

As at 30 September 2012, the unaudited consolidated net assets value of the RZ Capital Group was approximately HK\$409.9 million and the assets of the RZ Capital Group mainly comprised finance leases receivable.

### Shareholding structure of RZ Capital

The following chart sets out the shareholding structure of RZ Capital (i) as at the date of this announcement; (ii) immediately upon Completion; and (iii) immediately upon Completion and completion of each of Event A, Event B, Event C or Event D, assuming that there is no other change in the issued RZ Capital Shares from the date of this announcement and all Management Investors take up their RZ Capital Shares through the Management SPV:

	As at the date of this announcement		Immediately upon Completion		Immediately upon Completion and completion of					
	Number of the RZ Capital Shares	Approximate % of shareholding	Number of the RZ Capital Shares	Approximate % of shareholding	Event A		Event B or Event C		Event D	
Shareholders of RZ Capital	Number of the RZ Capital Shares	Approximate % of shareholding	Number of the RZ Capital Shares	Approximate % of shareholding	Number of the RZ Capital Shares	Approximate % of shareholding	Number of the RZ Capital Shares	Approximate % of shareholding	Number of the RZ Capital Shares	Approximate % of shareholding
Perfect Honour	50,055	50.06%	50,055	47.94%	17,722	30.10%	71,000	67.99%	50,055	66.81%
Silver Creation	29,500	29.50%	29,500	28.25%	29,500	50.10%	-	-	-	-
Xie-Legend- Plenty Entities	20,445	20.44%	20,445	19.57%	7,238	12.29%	29,000	27.77%	20,445	27.29%
Subscribers	-	-	4,422	4.24%	4,422	7.51%	4,422	4.24%	4,422	5.90%
<b>Total</b>	<u>100,000</u>	<u>100%</u>	<u>104,422</u>	<u>100%</u>	<u>58,882</u>	<u>100%</u>	<u>104,422</u>	<u>100%</u>	<u>74,922</u>	<u>100%</u>

### INFORMATION ON THE REMAINING GROUP

Upon Completion, the Remaining Group will be principally engaged in the provision of financing services targeting SMEs in Hong Kong and the PRC and holding of interests in jointly controlled entities (i.e. RZ Group and RZ Capital).

## **Business operation**

The major source of income of the Remaining Group has been the interest income derived from the provision of financing services. For each of the two years ended 31 March 2011 and 2012 and for the six months ended 30 September 2012, the unaudited interest income derived from the provision of financing services were approximately HK\$77 million, HK\$59 million and HK\$27 million respectively. As at 30 September 2012, the outstanding loan balance lent by the Remaining Group (other than Yancheng Goldbond) was approximately HK\$476 million.

The Company noted, as a result of the rapid growth and development of economy in the PRC and the expansion of SMEs, the demand for provision of financial solutions to SMEs (the “**SME Financing Business**”) in the PRC by small loan companies has been growing in recent years. On the other hand, the Group has gained valuable experience through the running of financing services business since 2006, and realizes the business potential in the provision of financing services in the PRC. With a view to riding on the growth of the SME Financing Business in the PRC and after considering the economic growth potential of Yancheng, Jiangsu Province, the PRC (“**Yancheng**”), in late 2011, the Company commenced the feasibility study of setting up a small loan company in Yancheng, which is the largest jurisdiction area and has the second largest population of Jiangsu Province.

The SME Financing Business is supported by the Yancheng Government, which realizes the difficulties and problems in obtaining financing by the SMEs and has been helping SMEs to seek financings. In September 2012, the Yancheng Economic Technical Development Zone invited tenders for the setting up of a small loan company to provide financing services to the technology-focused SMEs in Yancheng. The Group was awarded the tender and accordingly, it established Yancheng Goldbond and fully paid up the registered capital of US\$30.0 million (equivalent to approximately HK\$234.0 million) in November 2012. Yancheng Goldbond has obtained the business licence in April 2013 and had 19 personnel as at the date of this announcement. Yancheng Goldbond is authorised to offer authorised financial solutions to all technology-focused SMEs within the city of Yancheng. Unlike all other agricultural-focused small loan companies in the PRC which are mainly authorised to provide financing service to SMEs and individuals in agricultural related sector, Yancheng Goldbond is also authorised to offer, in addition to financing service, loan guarantee service, direct venture investment and other services approved by the provincial government, to its customers in Yancheng.

Riding on the solid experience and proven track record gained in the development of financing services in the past few years, the Directors are optimistic on the development of Yancheng Goldbond and expect that Yancheng Goldbond, as another business platform for business expansion in Jiangsu Province, the PRC, will contribute stable revenue stream to the Group.

## **REASONS FOR THE SUBSCRIPTION**

The Group currently offers non-bank financial services including financing and financial leasing and related services. The Group recognizes the importance of human resources to the continuous growth and development in its business.

Mr. Xie is a director of the RZ Capital Group who supervises the businesses of the RZ Capital Group. Mr. Cai is a director and the general manager of the operating subsidiary of RZ Capital. Mr. Peng and Mr. Fu are the vice general manager and the business controller of the operating subsidiary of RZ Capital respectively. They are the key management of the RZ Capital Group responsible for overall strategic planning and business development of the RZ Capital Group and play important roles to the success of the RZ Capital Group. With a view to (i) procure continuing dedication of the key management to the RZ Capital Group for its future business development and (ii) further strengthen the capital base of the RZ Capital Group, RZ Capital entered into the Subscription Agreement with the Subscribers, Mr. Xie and the Management Investors.

It is believed that the business growth potential of the RZ Capital Group would be further enhanced with dedicated key management of the RZ Capital Group and increased financial resources as a result of the Subscription. In light of the above reasons and the fact that the Company will remain as the single largest RZ Capital Shareholder upon Completion and will be entitled to share the operating results of the RZ Capital Group with respect to its shareholding interest in RZ Capital after Completion (despite that the Group's shareholding in RZ Capital will be reduced by approximately 2.12% after Completion), the Directors (other than the independent non-executive Directors who will be advised by the independent financial adviser) consider that the terms of the Subscription are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, save for the Proposed IPO and the repurchase or redemption of the RZ Capital Shares and the RZ Group Shares as set out in the respective shareholders' agreements of RZ Capital and RZ Group and a potential acquisition of a property which may or may not constitute a notifiable transaction for the Company, the Group has not entered, or proposes to enter, into any agreement, arrangement, understanding or undertaking, whether formal or informal and whether express or implied, and negotiation (whether concluded or not) with an intention to acquire any other business and/or dispose of the Remaining Group's existing businesses and its interest in RZ Group.

## **USE OF PROCEEDS AND FINANCIAL EFFECT OF THE SUBSCRIPTION**

It is estimated that the net proceeds from the Subscription is approximately HK\$19 million and the RZ Capital Group intends to apply the net proceeds from the Subscription as its general working capital.

As at 30 September 2012, the unaudited net assets value of the Group was approximately HK\$2.2 billion. For illustrative purpose, it is estimated that the Group may record a gain of approximately HK\$0.4 million from the Deemed Disposal (after taking into account the estimated expenditures of the Subscription to be borne by RZ Capital), based on the subscription price of US\$3.0 million (equivalent to approximately HK\$23.4 million) and the unaudited consolidated net assets of the RZ Capital Group of approximately HK\$409.9 million as at 30 September 2012. However, the actual gain or loss on the Deemed Disposal of the Remaining Group upon Completion may be different from the estimated amount as stated above, as the actual gain or loss will depend on, amongst others, the actual net assets value and fair valuation of the RZ Capital Group as at the date of Completion. Hence, the actual gain or loss on the Deemed Disposal of the Remaining Group is not ascertainable until the date of Completion. Upon Completion, RZ Capital will cease to be a subsidiary of the Company and its financial results and positions will be deconsolidated from, and then be accounted for by equity method in, the consolidated financial statements of the Group.

## LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Deemed Disposal is more than 75%, the Subscription constitutes a very substantial disposal for the Company under the Listing Rules. As Capital Grower is wholly-owned by Mr. Xie, who is a connected person of the Company by virtue of being a Director within the preceding 12 months and currently a director of the RZ Capital Group (being subsidiaries of the Company), and the Management SPV is 60% held by Mr. Cai, who is a connected person of the Company by virtue of being a director of a subsidiary of RZ Capital, the Subscription also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Accordingly, the Subscription is subject to the reporting, announcement and the approval by the Independent Shareholders at the EGM by way of poll.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, neither the Subscribers, namely Capital Grower and the Management SPV, nor any of their respective associates hold any Shares and therefore no Shareholder and its associates are required to abstain from voting on the proposed resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder at the EGM. The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Ma Ho Fai SBS JP, Mr. Cheng Yuk Wo and Mr. Ng Chi Keung MH, has been established to give recommendation to the Independent Shareholders regarding the Subscription. Messis Capital Limited, has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

## GENERAL

A circular containing, among other things, (i) further details of the Subscription; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) the letter from Messis Capital Limited, the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the EGM, will be despatched to the Shareholders on or before 24 May 2013.

**As Completion is subject to satisfaction and/or waiver of a number of conditions precedent, the Subscription may or may not proceed. Shareholders and investors should exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“2011 Announcement”	the Company’s announcement dated 29 August 2011 in relation to the introduction of Silver Creation to invest in RZ Group and RZ Capital
“2011 Circular”	the Company’s circular dated 23 September 2011 in relation to the introduction of Silver Creation to invest in RZ Group and RZ Capital
“2011 RZ Group Shareholders’ Agreement”	the shareholders’ agreement dated 26 October 2011 entered into between RZ Group, Perfect Honour, Silver Creation, the Xie-Legend-Plenty Entities and Mr. Xie in relation to RZ Group

“2011 Shareholders’ Agreement”	the shareholders’ agreement dated 26 October 2011 entered into between RZ Capital, Perfect Honour, Silver Creation, the Xie-Legend-Plenty Entities and Mr. Xie in relation to RZ Capital
“2011 Subscription Agreements”	the subscription agreement dated 24 August 2011 entered into between RZ Capital as issuer and Silver Creation as subscriber in respect of the subscription of RZ Capital Shares and the subscription agreement dated 24 August 2011 entered into between RZ Group as issuer and Silver Creation as subscriber in respect of the subscription of RZ Group Shares, the details of which have been set out in the 2011 Announcement and the 2011 Circular
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday or public holiday) on which banks are open for general commercial business in Hong Kong
“BVI”	British Virgin Islands
“Capital Grower”	Capital Grower Limited, a company incorporated in the BVI with limited liability and wholly-owned by Mr. Xie, one of the Subscribers
“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
“Completion”	the completion of the Subscription in accordance with the terms of the Subscription Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Deemed Disposal”	the deemed disposal of the Company’s interest in RZ Capital as a result of Completion within the meaning of the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the Subscription Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company, comprising all the independent non-executive Directors, namely Mr. Ma Ho Fai SBS JP, Mr. Cheng Yuk Wo and Mr. Ng Chi Keung MH, has been established to give recommendation to the Independent Shareholders regarding the Subscription
“Independent Shareholders”	Shareholders other than the Subscribers and their respective associates
“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected persons and is/are not a connected person(s) of the Company
“Legend Crown”	Legend Crown International Limited, a company incorporated in the BVI with limited liability, and wholly-owned by Ms. Wong and holds approximately 3.52% of the issued RZ Capital Shares as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Investors”	Mr. Cai, Mr. Fu and Mr. Peng
“Management SPV”	Clifton Rise International Limited, a company incorporated in the BVI with limited liability and owned as to 60% by Mr. Cai, 20% by Mr. Peng and 20% by Mr. Fu, one of the Subscribers
“Mr. Cai”	Mr. Cai Hanming, a director and the general manager of the operating subsidiary of RZ Capital
“Mr. Fu”	Mr. Fu Wulin, a senior management of the operating subsidiary of RZ Capital and an Independent Third Party
“Mr. Peng”	Mr. Peng Qilong, a senior management of the operating subsidiary of RZ Capital and an Independent Third Party
“Mr. Xie”	Mr. Xie Xiaoqing, a Director within the preceding 12 months and a director of the RZ Capital Group
“Ms. Wong”	Ms. Wong, Jacqueline Yue Yee, the daughter of Mr. Wong Yu Lung, Charles (Deputy Chairman of the Company and an executive Director)

“Perfect Honour”	Perfect Honour Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company and holds approximately 50.06% of the issued RZ Capital Shares as at the date of this announcement
“Plenty Boom”	Plenty Boom Investments Limited, a company incorporated in the BVI with limited liability and wholly-owned by Ms. Wong and holds approximately 3.52% of the issued RZ Capital Shares as at the date of this announcement
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administration Region of the PRC and Taiwan
“Proposed IPO”	the admission to trading of the RZ Capital Shares and/or the RZ Group Shares on the Stock Exchange, or any other recognized investment or stock exchange, or equivalent admission to trading of the shares in respect of any other member of the RZ Capital Group and/or the RZ Group Companies which is the holding company of all or substantially all of the operating assets of the RZ Capital Group and/or the RZ Group Companies (including but not limited to by way of reverse takeover, in which case the RZ Capital Group and the RZ Group Companies (as the case may be) are required to comply with the reverse takeover rule under Rule 14.06(6) of the Listing Rules, where applicable)
“Remaining Group”	the Group immediately after Completion
“RZ Capital”	Rongzhong Capital Holdings Limited, a company incorporated in the BVI with limited liability, and indirectly owned as to approximately 50.06% by the Company as at the date of this announcement and as to approximately 47.94% upon Completion
“RZ Capital Group”	RZ Capital and its subsidiaries
“RZ Capital Share(s)”	the ordinary share(s) of par value of US\$1.00 each in the share capital of RZ Capital
“RZ Capital Shareholder(s)”	holder(s) of RZ Capital Share(s)
“RZ Group”	Rongzhong Group Limited, a company incorporated in the BVI with limited liability and a jointly controlled entity of the Company
“RZ Group Companies”	RZ Group and its subsidiaries

“RZ Group Share(s)”	the ordinary share(s) of par value of US\$1.00 each in the share capital of RZ Group
“RZ Group Shareholders’ Agreement”	the supplemental agreement to the 2011 RZ Group Shareholders’ Agreement to be entered into on Completion among RZ Group, Perfect Honour, Silver Creation, Mr. Xie and the Xie-Legend-Plenty Entities
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into amongst RZ Capital, Perfect Honour, Silver Creation, the Xie-Legend-Plenty Entities, the Subscribers, Mr. Xie and the Management Investors upon Completion to restate and amend the terms of the 2011 Shareholders’ Agreement
“Silver Creation”	Silver Creation Investments Limited, a company incorporated in the BVI with limited liability and holds approximately 29.50% of the issued RZ Capital Shares as at the date of this announcement
“SME(s)”	small and medium size enterprise(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	the Management SPV and Capital Grower, being the subscribers under the Subscription Agreement
“Subscription”	the proposed subscription of the Subscription Shares pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 2 May 2013 entered into between RZ Capital, the Subscribers, the Management Investors and Mr. Xie in relation to the Subscription
“Subscription Shares”	being 4,422 new RZ Capital Shares to be issued pursuant to the Subscription Agreement upon Completion, and each a “Subscription Share”
“Xie-Legend-Plenty Entities”	Yonghua, Legend Crown and Plenty Boom



“Yancheng Goldbond”	鹽城市金榜科技小額貸款有限公司(Yancheng Goldbond Technology Small Loan Company Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Yonghua”	Yong Hua International Limited, a company incorporated in the BVI with limited liability and wholly-owned by Mr. Xie, and holds approximately 13.40% of the issued RZ Capital Shares as at the date of this announcement
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“US\$”	United States dollar, the lawful currency of the United States of America
“%” or “per cent.”	percentage or per centum

*For the purpose of this announcement and for the purpose of illustration only, HK\$ amounts have been translated using the following rate:*

*US\$1 : HK\$7.80*

*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, 2 May 2013

*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).*

\* *for identification purpose only*