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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: 172)**

### **DISCLOSEABLE TRANSACTION: FINANCE LEASE ARRANGEMENT**

The Board is pleased to announce that on 30 December 2011 (after trading hours), RZ Leasing, being a subsidiary of the Company and owned as to approximately 50.055% by the Company, has entered into the following two contracts:

1. Hotel Equipment Finance Lease Contract with the Lessee, being an independent third party, pursuant to which RZ Leasing has agreed to purchase the Hotel Equipment from the Lessee for the Hotel Equipment Consideration of RMB80.0 million (equivalent to approximately HK\$98.8 million) and the Hotel Equipment will be leased back to the Lessee over the Lease Period for future lease payments in the total sum of approximately RMB89.3 million (comprising the principal of RMB80.0 million, interest of approximately RMB3.7 million and administrative fee of approximately RMB5.6 million); and
2. Financial Consultancy Contract with the Corporate Guarantor, being an independent third party, pursuant to which RZ Leasing has agreed to provide financial consultancy service within the Lease Period for the aggregate consultancy fee of approximately RMB8.7 million (equivalent to approximately HK\$10.7 million).

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of the Lessee and the Corporate Guarantor is a third party independent of the Company and its connected persons.

The Hotel Equipment Finance Lease Contract and the Financial Consultancy Contract constitute a discloseable transaction for the Company under the Listing Rules and are subject to the notification and announcement requirements set out in Rule 14.33 of the Listing Rules.

## **HOTEL EQUIPMENT FINANCE LEASE ARRANGEMENT**

On 30 December 2011, RZ Leasing entered into the Hotel Equipment Finance Lease Contract with the Lessee pursuant to which RZ Leasing has agreed to purchase the Hotel Equipment from the Lessee for the Hotel Equipment Consideration of RMB80.0 million (equivalent to approximately HK\$98.8 million) and the Hotel Equipment will be leased back to the Lessee over the Lease Period for future lease payments in the total sum of approximately RMB89.3 million (comprising the principal of RMB80.0 million, interest of approximately RMB3.7 million and administrative fee of approximately RMB5.6 million). Details of the Hotel Equipment Finance Lease Contract are set out below:

### **Date**

30 December 2011

### **Parties**

Lessor : RZ Leasing, being a subsidiary of the Company and owned as to approximately 50.055% by the Company.

Lessee : a limited liability company established in the PRC and principally engaged in the ownership, development and management of hotels, hot spring and other recreation facilities in Hubei province of the PRC.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Lessee and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **Lease period**

Nine months from the date of the First Settlement.

### **Consideration for the purchase of the Hotel Equipment**

The Hotel Equipment Consideration is RMB80.0 million (equivalent to approximately HK\$98.8 million), which was determined after arm's length negotiations between RZ Leasing and the Lessee with reference to the net book value of the Hotel Equipment of approximately RMB173.2 million (equivalent to approximately HK\$213.8 million) as at 30 November 2011.

The Hotel Equipment Consideration will be satisfied by internal resources of the Group and be settled in two tranches. The First Settlement will be made on the day the Hotel Equipment Finance Lease Contract is signed and the Final Settlement will be made within 10 days after the First Settlement is made.

## **Security deposit**

The Lessee shall pay a security deposit of RMB30.0 million (equivalent to approximately HK\$37.0 million) to RZ Leasing to secure the performance of its obligations under the Hotel Equipment Finance Lease Contract. This security deposit shall be fully paid to RZ Leasing before the settlement of the Hotel Equipment Consideration by RZ Leasing. RZ Leasing shall not be obliged to pay any interest to the Lessee for such deposit which will be deducted from the principal for the calculation of interest charge on this finance lease arrangement. Such deposit shall be used as payment for part of the final lease payment to set off against the residual principal amount.

## **Lease payments**

The Lessee shall pay the rent (comprising principal and interest) to RZ Leasing in nine monthly installments. The principal, representing the total cost of the Hotel Equipment, is RMB80.0 million (equivalent to approximately HK\$98.8 million). The total interest over the Lease Period, calculated at the PBOC Rate of compatible maturity period plus a premium, is fixed at approximately RMB3.7 million (equivalent to approximately HK\$4.6 million).

The Lessee shall also pay an aggregate administrative fee of approximately RMB5.6 million (equivalent to approximately HK\$6.9 million) to RZ Leasing in nine equal monthly installments.

If the Lessee is to terminate the lease in advance, the Lessee must pay the remaining unsettled principal prior to the date of termination after which RZ Leasing will not charge any further expense to the Lessee.

The lease payments were determined after arm's length negotiations between the Lessee and RZ Leasing with reference to, among others, the principal of the lease and the prevailing market practice.

## **Ownership of the Hotel Equipment**

During the Lease Period, the ownership of the Hotel Equipment shall vest in RZ Leasing. Subject to the Lessee having duly and fully performed all its obligations under the Hotel Equipment Finance Lease Contract, upon the expiry of the Lease Period, RZ Leasing shall transfer the ownership of the Hotel Equipment to the Lessee at nil consideration.

## **Guarantees and pledges**

Each of the Corporate Guarantor and the Individual Guarantor has provided guarantee in favour of RZ Leasing to secure due payment of the lease payments by the Lessee to RZ Leasing in accordance with the terms of the Hotel Equipment Finance Lease Contract. The beneficial owners of the Lessee have also pledged all of their respective equity interests held in the Lessee to RZ Leasing as a security of the lease payments.

## **FINANCIAL CONSULTANCY SERVICE**

On 30 December 2011, RZ Leasing entered into the Financial Consultancy Contract with the Corporate Guarantor pursuant to which RZ Leasing has agreed to provide financial consultancy service over the Lease Period for the aggregate consultancy fee of approximately RMB8.7 million (equivalent to approximately HK\$10.7 million). Details of the Financial Consultancy Contract are set out below:

### **Date**

30 December 2011

### **Parties**

- Party A : RZ Leasing, being a subsidiary of the Company and owned as to approximately 50.055% by the Company.
- Party B : The Corporate Guarantor, a limited liability company established in the PRC and principally engaged in the properties investment and development business in Hubei province of the PRC. The Corporate Guarantor is a strategic business partner of the Lessee in the development of tourism and recreation business in Hubei province of the PRC.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Corporate Guarantor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **Consultancy service period**

Same as the Lease Period

### **Scope of financial consultancy service**

RZ Leasing shall (1) provide financial advisory service to the Corporate Guarantor with respect to its tourism and recreation business needs and optimizing the usage of all assets available for financing, particularly by the way of financial leasing and (2) facilitate the fund raising of RMB80 million for the sales and lease back arrangement with the Lessee.

### **Consideration of providing financial consultancy service**

The Corporate Guarantor shall pay to RZ Leasing the aggregate consultancy fee of approximately RMB8.7 million (equivalent to approximately HK\$10.7 million) in nine equal monthly installments. This consultancy fee was determined after arm's length negotiations between RZ Leasing and the Corporate Guarantor with reference to, among others, the scope of service to be provided, the expertise of personnel to be involved and the prevailing market practice. If the Hotel Equipment Finance Lease Contract is terminated by way of early settlement, this Financial Consultancy Contract will be terminated simultaneously and RZ Leasing will not charge any further expense to the Corporate Guarantor. All consultancy fee received prior to the date of termination of this Financial Consultancy Contract will not be refunded.

## **REASONS FOR, AND BENEFITS OF, THE TRANSACTION**

The Group is principally engaged in the financial leasing and financing business. The Directors consider that the Hotel Equipment Finance Lease Contract and the Financial Consultancy Contract were entered into on normal commercial terms and in the ordinary and usual course of business of the Group and that they will increase the revenue and profit of the Group. The Directors consider that the terms of the Hotel Equipment Finance Lease Contract and the Financial Consultancy Contract are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **GENERAL**

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of the Lessee and the Corporate Guarantor is a third party independent of the Company and its connected persons.

The Hotel Equipment Finance Lease Contract and Financial Consultancy Contract constitute a discloseable transaction for the Company under the Listing Rules and are subject to the notification and announcement requirements set out in Rule 14.33 of the Listing Rules.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Company”	Goldbond Group Holdings Limited (Stock code: 172), a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Stock Exchange
“Corporate Guarantor”	a limited company incorporated in the PRC, principally engaged in the properties investment and development business in Hubei province of the PRC and a third party independent of the Company and its connected persons
“Director(s)”	director(s) of the Company
“Final Settlement”	the final settlement of the remaining Hotel Equipment Consideration, amounting to RMB20.0 million (equivalent to approximately HK\$24.7 million)
“Financial Consultancy Contract”	a financial consultancy contract dated 30 December 2011 and entered into between RZ Leasing and the Corporate Guarantor
“First Settlement”	the first settlement of the Hotel Equipment Consideration, amounting to RMB60.0 million (equivalent to approximately HK\$74.1 million)
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hotel Equipment”	343 sets of various hotel properties, facilities and machineries, which shall be sold by the Lessee to RZ Leasing and then leased back to the Lessee pursuant to the Hotel Equipment Finance Lease Contract
“Hotel Equipment Consideration”	the aggregate consideration for the purchase of the Hotel Equipment, amounting to RMB80.0 million (equivalent to approximately HK\$98.8 million)
“Hotel Equipment Finance Lease Contract”	a finance lease contract dated 30 December 2011 and entered into between RZ Leasing and the Lessee
“Individual Guarantor”	The Controlling Shareholder (as defined under the Listing Rules) of the Corporate Guarantor
“Lease Period”	the nine month period commencing from the date of the First Settlement
“Lessee”	a company established in the PRC, primarily engaged in the ownership, development and management of hotels, hot spring and other recreation facilities in Hubei province of the PRC and a third party independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PBOC Rate”	the benchmark interest rate promulgated by the People’s Bank of China for RMB loans
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“RZ Leasing”	Rongzhong International Financial Leasing Co. Ltd. (融眾國際融資租賃有限公司), a company incorporated in the PRC with limited liability, and owned as to approximately 50.055% by the Company
“Shareholder(s)”	the holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

*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\$1.2346*

*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**  
**Ding Chung Keung**  
*Executive Director and  
Chief Executive Officer*

Hong Kong, 30 December 2011

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