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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 TRANSACTIONS: FINANCE LEASE ARRANGEMENTS

The Board is pleased to announce that on 14 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 of the following two contracts:

1. Printing & Packaging Equipment Finance Lease Contract with Lessee A, being an independent third party, pursuant to which RZ Leasing has agreed to purchase the Printing & Packaging Equipment from Lessee A for the Printing & Packaging Equipment Consideration of RMB43 million (equivalent to approximately HK\$53.1 million) and the Printing & Packaging Equipment will be leased back to Lessee A for a period of three years from the date on which the Printing & Packaging Equipment Consideration has been fully settled by RZ Leasing for future lease payments in the total sum of approximately RMB49.5 million (comprising the principal of RMB43 million, interest of approximately RMB3.9 million and administrative fee of approximately RMB2.6 million); and
2. Electronic Material Equipment Finance Lease Contract with Lessee B, being an independent third party, pursuant to which RZ Leasing has agreed to purchase the Electronic Material Equipment from Lessee B for the Electronic Material Equipment Consideration of RMB50 million (equivalent to approximately HK\$61.7 million) and the Electronic Material Equipment will be leased back to Lessee B for a period of two years from the date on which the Electronic Material Equipment Consideration has been fully settled by RZ Leasing for future lease payments in the total sum of approximately RMB55.5 million (comprising the principal of RMB50 million, interest of approximately RMB3.9 million and administrative fee of approximately RMB1.6 million).

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

Each of the Printing & Packaging Equipment Finance Lease Contract and the Electronic Material Equipment Finance Lease Contract constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements set out in Rule 14.33 of the Listing Rules.

PRINTING & PACKAGING EQUIPMENT FINANCE LEASE ARRANGEMENT

On 14 December 2011, RZ Leasing entered into the Printing & Packaging Equipment Finance Lease Contract with Lessee A pursuant to which RZ Leasing has agreed to purchase the Printing & Packaging Equipment from Lessee A for the Printing & Packaging Equipment Consideration of RMB43 million (equivalent to approximately HK\$53.1 million) and the Printing & Packaging Equipment will be leased back to Lessee A for a period of three years from the date on which the Printing & Packaging Equipment Consideration has been fully settled by RZ Leasing for future lease payments in the total sum of approximately RMB49.5 million (comprising the principal of RMB43 million, interest of approximately RMB3.9 million and administrative fee of approximately RMB2.6 million). Details of the Printing & Packaging Equipment Finance Lease Contract are set out below:

Date

14 December 2011

Parties

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

Lessee : Lessee A, a limited liability company established in the PRC and principally engaged in the printing and packaging business.

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

Lease period

Three years from the date on which the Printing & Packaging Equipment Consideration has been fully settled by RZ Leasing.

Consideration for the purchase of the Printing & Packaging Equipment

The Printing & Packaging Equipment Consideration is RMB43 million (equivalent to approximately HK\$53.1 million), which was determined after arm's length negotiations between RZ Leasing and Lessee A with reference to the net book value of the Printing & Packaging Equipment of approximately RMB44.0 million (equivalent to approximately HK\$54.3 million) as at 30 June 2011. The Printing & Packaging Equipment Consideration will be satisfied by internal resources of the Group.

Security deposit

Lessee A shall pay a security deposit of RMB13 million (equivalent to approximately HK\$16.0 million) to RZ Leasing to secure the performance of its obligations under the Printing & Packaging Equipment Finance Lease Contract. This security deposit shall be fully paid to RZ Leasing before the settlement of the Printing & Packaging Equipment Consideration by RZ Leasing. RZ Leasing shall not be obliged to pay any interest to Lessee A 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

Lessee A shall pay the rent (comprising principal and interest) to RZ Leasing in twelve quarterly installments. The principal, representing the total cost of the Printing & Packaging Equipment, is RMB43 million (equivalent to approximately HK\$53.1 million). The total interest over the lease period, calculated at the PBOC Rate of compatible maturity period plus a premium, is approximately RMB3.9 million (equivalent to approximately HK\$4.8 million) which is subject to adjustment with reference to the change of the PBOC Rate during the lease period.

Lessee A shall also pay an aggregate administrative fee of approximately RMB2.6 million (equivalent to approximately HK\$3.2 million) to RZ Leasing in three yearly installments.

If Lessee A is to terminate the lease in advance, Lessee A must pay the remaining unsettled principal prior to the date of termination plus a compensation payment to be calculated at 20% of all remaining rent and administrative fee from the date of termination to the expiry of the lease period.

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

Ownership of the Printing & Packaging Equipment

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

Guarantees and pledges

The beneficial owners of Lessee A and their spouses have provided guarantees in favour of RZ Leasing to secure due payment of the lease payments by Lessee A to RZ Leasing in accordance with the terms of the Printing & Packaging Equipment Finance Lease Contract. The beneficial owners have also pledged all of the equity interests held in Lessee A to RZ Leasing as a security of the lease payments.

ELECTRONIC MATERIAL EQUIPMENT FINANCE LEASE ARRANGEMENT

On 14 December 2011, RZ Leasing entered into the Electronic Material Equipment Finance Lease Contract with Lessee B pursuant to which RZ Leasing has agreed to purchase the Electronic Material Equipment from Lessee B for the Electronic Material Equipment Consideration of RMB50 million (equivalent to approximately HK\$61.7 million) and the Electronic Material Equipment will be leased back to Lessee B for a period of two years from the date on which the Electronic Material Equipment Consideration has been fully settled by RZ Leasing for future lease payments in the total sum of approximately RMB55.5 million (comprising the principal of RMB50 million, interest of approximately RMB3.9 million and administrative fee of approximately RMB1.6 million). Details of the Electronic Material Equipment Finance Lease Contract are set out below:

Date

14 December 2011

Parties

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

Lessee : Lessee B, a limited liability company established in the PRC and principally engaged in the manufacturing and sale of high-tech electronic materials.

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

Lease period

Two years from the date on which the Electronic Material Equipment Consideration has been fully settled by RZ Leasing.

Consideration for the purchase of the Electronic Material Equipment

The Electronic Material Equipment Consideration is RMB50 million (equivalent to approximately HK\$61.7 million), which was determined after arm's length negotiations between RZ Leasing and Lessee B with reference to the net book value of the Electronic Material Equipment of approximately RMB50.2 million (equivalent to approximately HK\$62.0 million) as at 30 September 2011. The Electronic Material Equipment Consideration will be satisfied by internal resources of the Group.

Security deposit

Lessee B shall pay a security deposit of RMB10 million (equivalent to approximately HK\$12.3 million) to RZ Leasing to secure the performance of its obligations under the Electronic Material Equipment Finance Lease Contract. This security deposit shall be fully paid to RZ Leasing before the settlement of the Electronic Material Equipment Consideration by RZ Leasing. RZ Leasing shall not be obliged to pay any interest to Lessee B for such deposit which will be deducted from the principal for 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

Lessee B shall pay the rent (comprising principal and interest) to RZ Leasing in various installments over the lease period. The principal of RMB50 million (equivalent to approximately HK\$61.7 million), representing the total cost of the Electronic Material Equipment, is to be settled in eight quarterly installments. The total interest over the lease period of approximately RMB3.9 million (equivalent to approximately HK\$4.8 million), calculated at the PBOC Rate of compatible maturity period plus a premium, is to be settled in twenty-four monthly installments and is subject to adjustment with reference to the change of the PBOC Rate during the lease period.

Lessee B shall also pay an aggregate administrative fee of approximately RMB1.6 million (equivalent to approximately HK\$2.0 million) to RZ Leasing in twenty-four monthly installments.

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

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

Ownership of the Electronic Material Equipment

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

Guarantees and pledges

The Controlling Shareholder (as defined under the Listing Rules) of Lessee B and his spouse have provided guarantees in favour of RZ Leasing to secure due payment of the lease payments by Lessee B to RZ Leasing in accordance with the terms of the Electronic Material Equipment Finance Lease Contract. The Controlling Shareholder (as defined under the Listing Rules) of Lessee B has also pledged all of his equity interests held in Lessee B to RZ Leasing as a security of the lease payments.

REASONS FOR, AND BENEFITS OF, THE TRANSACTIONS

The Group is principally engaged in the financial leasing and financing business. The Directors consider that the Printing & Packaging Equipment Finance Lease Contract and the Electronic Material Equipment Finance Lease 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 Printing & Packaging Equipment Finance Lease Contract and the Electronic Material Equipment Finance Lease 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 Lessee A and Lessee B is a third party independent of each other and of the Company and its connected persons.

Each of the Printing & Packaging Equipment Finance Lease Contract and the Electronic Material Equipment Finance Lease Contract constitutes a discloseable transaction for the Company under the Listing Rules and is 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
“Director(s)”	director(s) of the Company
“Electronic Material Equipment”	50 sets of various machineries for the production of high-tech electronic materials, which shall be sold by Lessee B to RZ Leasing and leaseback to Lessee B pursuant to the Electronic Material Equipment Finance Lease Contract
“Electronic Material Equipment Consideration”	the aggregate consideration for the purchase of the Electronic Material Equipment, amounting to RMB50 million (equivalent to approximately HK\$61.7 million)
“Electronic Material Equipment Finance Lease Contract”	a finance lease contract dated 14 December 2011 and entered into between RZ Leasing and Lessee B
“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
“Lessee A”	a limited liability company established in the PRC, primarily engaged in the printing and packaging business and a third party independent of the Company and its connected persons
“Lessee B”	a limited liability company established in the PRC, primarily engaged in the manufacturing and sales of high-tech electronics materials 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
“Printing & Packaging Equipment”	185 sets of various machineries for printing and packaging, which shall be sold by Lessee A to RZ Leasing and leaseback to Lessee A pursuant to the Printing & Packaging Equipment Finance Lease Contract

“Printing & Packaging Equipment Consideration”	the aggregate consideration for the purchase of the Printing & Packaging Equipment, amounting to RMB43 million (equivalent to approximately HK\$53.1 million)
“Printing & Packaging Equipment Finance Lease Contract”	a finance lease contract dated 14 December 2011 and entered into between RZ Leasing and Lessee A
“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, 14 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 Yatyee (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).