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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)**

### **VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTIONS: INTRODUCTION OF AN INVESTOR TO RZ GROUP AND RZ CAPITAL AND RESUMPTION OF TRADING**

**Financial adviser to the Company**



The Board is pleased to announce that the Group will conditionally effect the Introduction involving, amongst others, the subscription of new RZ Group Shares and new RZ Capital Shares by the Investor and the acquisition of existing RZ Group Shares by the Investor. The Total Investment Amount payable by the Investor pursuant to the Introduction amounts to approximately US\$154.8 million (equivalent to approximately HK\$1,207.4 million). As at the date of this announcement, RZ Group is owned as to 71% by the Company (through Perfect Honour), 19.01% by Yonghua (a company wholly-owned by Mr. Xie) and 9.99% by Legend Crown and Plenty Boom (companies wholly-owned by Ms. Wong); while RZ Capital is wholly-owned by RZ Group.

To effect the Introduction, the following parties have entered into the following agreements on 24 August 2011:

- (1) Perfect Honour has entered into the RZ Group S&P Agreement with the Investor in relation to the acquisition of 4,750,000 RZ Group Shares by the Investor at a consideration of approximately US\$39.2 million (equivalent to approximately HK\$305.4 million);
- (2) Yonghua has entered into the Xie's S&P Agreement with the Investor in relation to the acquisition of 685,000 RZ Group Shares by the Investor at a consideration of approximately US\$5.6 million (equivalent to approximately HK\$44.0 million); and
- (3) each of RZ Group and RZ Capital has entered into the RZ Group Subscription Agreement and the RZ Capital Subscription Agreement respectively with the Investor for the Investor to subscribe for 8,275,000 RZ Group Shares and 29,500 RZ Capital Shares, respectively at a consideration of US\$90.0 million (equivalent to approximately HK\$702.0 million) and US\$20.0 million (equivalent to approximately HK\$156.0 million), respectively.

Completion of all the above transactions is inter-conditional.

To facilitate the Introduction, the Group will effect the Pre-Completion Reorganisation which includes, amongst others, the acquisition of RZ Capital by Perfect Honour, Yonghua, Legend Crown and Plenty Boom in the Relevant Proportion from RZ Group on or before the Transaction Documents Completion.

Upon the Transaction Documents Completion, the RZ Group Shareholders' Agreement and the RZ Capital Shareholders' Agreement will be signed by the respective parties thereto to, amongst others, govern certain rights and obligations of the respective shareholders of RZ Group and RZ Capital. Following the Transaction Documents Completion, RZ Group will be owned as to 40% by the Group, 40% by the Investor and an aggregate of 20% by Yonghua, Legend Crown and Plenty Boom, and will be accounted for as an associated company of the Company and be deconsolidated from the financial statements of the Group, while RZ Capital will be owned as to approximately 50.06% by the Group, 29.50% by the Investor and an aggregate of 20.44% by Yonghua, Legend Crown and Plenty Boom, and will continue to be consolidated in the financial statements of the Group.

The Directors consider that the businesses of the RZ Group Companies and the RZ Capital Companies are capital intensive, the Introduction will provide net proceeds of approximately HK\$702.0 million and HK\$156.0 million respectively to them so that they can further expand their businesses both in the existing geographical locations as well as in new geographical locations; while the net proceeds of approximately HK\$302 million to be received by the Remaining Group will provide additional working capital for its existing businesses and for exploration of new investment opportunities, in its existing businesses and/or in other businesses if and when the Directors identify any new business opportunities.

As the applicable percentage ratios for the transactions contemplated under the Transaction Documents (other than the Xie's S&P Agreement) under the Listing Rules are more than 75%, the Introduction constitutes a very substantial disposal for the Company under the Listing Rules. As at the date of this announcement, Mr. Xie, being an executive Director and interested in 19.01% of RZ Group through his interest in Yonghua, is a party to the Xie's S&P Agreement, the RZ Group Shareholders' Agreement and the RZ Capital Shareholders' Agreement. Accordingly, the Introduction (other than the Xie's S&P) also constitutes a connected transaction for the Company pursuant to Rule 14A.13(1)(b)(i) of the Listing Rules and is subject to the approval of the independent Shareholders at the EGM.

Immediately upon the Transaction Documents Completion, the Investor will become a substantial shareholder of RZ Capital which will continue to be a non-wholly owned subsidiary of the Company, therefore the Investor will become a connected person of the Group. RZ Group, which will be owned as to 40% by the Investor upon the Transaction Documents Completion, will become an associate of the Investor. As a result, the RZ Group Companies will become connected persons of the Group, and therefore, the Loan and Guarantee Services Agreement and the RZ Group Loan Agreement, being the transactions contemplated under the Introduction, will constitute connected transactions for the Company under the Listing Rules and are subject to the approval of the independent Shareholders at the EGM.

As at the date of this announcement, Yonghua, Legend Crown and Plenty Boom are parties to the Transaction Documents and/or the RZ Group Shareholders' Agreement and the RZ Capital Shareholders' Agreement. As such, Mr. Xie (being the owner of Yonghua) and his associates (interested in an aggregate of 126,900,000 Shares, representing approximately 4.6% of the issued share capital of the Company) and Ms. Wong (being the owner of Legend Crown and Plenty Boom) and her associates (including Mr. Wong Yu Lung, Charles (being the father of Ms. Wong) and Ms. Wong, Michelle Yatyee (being the sister of Ms. Wong) (interested in an aggregate of 1,440,615,517 Shares, representing approximately 52.19% of the issued share capital of the Company as at the date of this announcement) shall abstain from voting on the proposed resolution(s) to approve the Introduction (other than the Xie's S&P) and the transactions contemplated thereunder at the EGM. The Company will form an independent board committee to advise the independent Shareholders in respect of the Introduction (other than the Xie's S&P) and the transactions contemplated thereunder (including but not limited to the entering into of the RZ Group Loan Agreement, and the Loan and Guarantee Services Agreement). CIMB Securities (HK) Limited has been appointed as the independent financial adviser to advise the independent board committee and the independent Shareholders in this regard.

A circular containing, amongst others, (1) further details of the Introduction; (2) the letter from the independent board committee to the independent Shareholders; (3) the letter from CIMB Securities (HK) Limited, the independent financial adviser, to the independent board committee and the independent Shareholders; and (4) the notice of EGM, will be despatched to the Shareholders on or before 20 September 2011.

**As the Transaction Documents Completion is subject to the satisfaction of a number of conditions, the Introduction may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

At the request of the Company, trading in the Shares was suspended with effect from 9:00 a.m. on 25 August 2011 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 30 August 2011.

## INTRODUCTION

The Board is pleased to announce that the Group will conditionally effect the Introduction involving, amongst others, the subscription of new RZ Group Shares and new RZ Capital Shares by the Investor and the acquisition of existing RZ Group Shares by the Investor. The Total Investment Amount payable by the Investor pursuant to the Introduction amounts to approximately US\$154.8 million (equivalent to approximately HK\$1,207.4 million). As at the date of this announcement, RZ Group is owned as to 71% by the Company (through Perfect Honour), 19.01% by Yonghua (a company wholly-owned by Mr. Xie) and 9.99% by Legend Crown and Plenty Boom (two companies wholly-owned by Ms. Wong); while RZ Capital is wholly-owned by RZ Group.

To effect the Introduction, the following parties have entered into the following agreements on 24 August 2011 (after trading hours):

- (1) Perfect Honour has entered into the RZ Group S&P Agreement with the Investor in relation to the acquisition of 4,750,000 RZ Group Shares by the Investor at a consideration of approximately US\$39.2 million (equivalent to approximately HK\$305.4 million);
- (2) Yonghua has entered into the Xie's S&P Agreement with the Investor in relation to the acquisition of 685,000 RZ Group Shares by the Investor at a consideration of approximately US\$5.6 million (equivalent to approximately HK\$44.0 million); and
- (3) each of RZ Group and RZ Capital has entered into the RZ Group Subscription Agreement and the RZ Capital Subscription Agreement respectively with the Investor for the Investor to subscribe for 8,275,000 RZ Group Shares and 29,500 RZ Capital Shares, respectively at a consideration of approximately US\$90.0 million (equivalent to approximately HK\$702.0 million) and approximately US\$20.0 million (equivalent to approximately HK\$156.0 million), respectively.

Completion of all the above transactions is inter-conditional.

To facilitate the Introduction, the Group will effect the Pre-Completion Reorganisation which includes, amongst others, the acquisition of RZ Capital by Perfect Honour, Yonghua, Legend Crown and Plenty Boom in the Relevant Proportion from RZ Group on or before the Transaction Documents Completion.

Upon the Transaction Documents Completion, the RZ Group Shareholders' Agreement and the RZ Capital Shareholders' Agreement will be signed by the respective parties thereto to, amongst others, govern certain rights and obligations of the respective shareholders of RZ Group and RZ Capital. Following the Transaction Documents Completion, RZ Group will be owned as to 40% by the Group, 40% by the Investor and an aggregate of 20% by Yonghua, Legend Crown and Plenty Boom, and will be accounted for as an associated company and deconsolidated from the financial statements of the Group, while RZ Capital will be owned as to approximately 50.06% by the Group, 29.50% by the Investor and an aggregate of 20.44% by Yonghua, Legend Crown and Plenty Boom, and will continue to be consolidated in the financial statements of the Group.

## TRANSACTION DOCUMENTS AND OTHER AGREEMENTS

### *The RZ Group S&P Agreement and the Xie's S&P Agreement*

The terms of the RZ Group S&P Agreement and the Xie's S&P Agreement are set out below:

	<b>The RZ Group S&amp;P Agreement</b>	<b>The Xie's S&amp;P Agreement</b>
<b>Date</b>	: 24 August 2011	24 August 2011
<b>Vendor</b>	: Perfect Honour	Yonghua
<b>Purchaser</b>	: Investor	Investor
<b>Guarantor</b>	: Not applicable	Mr. Xie
<b>Subject</b>	: 4,750,000 RZ Group Shares	685,000 RZ Group Shares
<b>Consideration</b>	: Approximately US\$39.2 million (equivalent to approximately HK\$305.4 million) and shall be payable in cash by the Investor upon the RZ Group S&P Completion	Approximately US\$5.6 million (equivalent to approximately HK\$44.0 million) and shall be payable in cash by the Investor upon the Xie's S&P Completion

The consideration of the RZ Group S&P Agreement of approximately US\$39.2 million (equivalent to approximately HK\$305.4 million) was arrived at after arm's length negotiations between Perfect Honour and the Investor after taking into account, amongst others, (1) the unaudited consolidated net assets value attributable to the owners of RZ Group of approximately HK\$471.0 million as at 31 March 2011; (2) the increase in consolidated net assets value of RZ Group by HK\$444 million upon the completion of the Additional Subscription; (3) the track record of the RZ Group Companies; (4) the prospects of the RZ Group Companies; and (5) the Investor's contribution of subscription monies to the business of the RZ Group Companies. The consideration for each RZ Group Share to be sold under each of the RZ Group S&P Agreement and the Xie's S&P Agreement is approximately the same.

The 4,750,000 RZ Group Shares to be sold by Perfect Honour represent (1) approximately 18.27% of the existing issued share capital of RZ Group as at the date of this announcement; and (2) approximately 13.86% of the issued share capital of RZ Group as enlarged by the issue of the RZ Group Shares pursuant to the RZ Group Subscription Agreement.

The 685,000 RZ Group Shares to be sold by Yonghua represent (1) approximately 2.63% of the existing issued share capital of RZ Group as at the date of this announcement; and (2) approximately 2.00% of the issued share capital of RZ Group as enlarged by the issue of the RZ Group Shares pursuant to the RZ Group Subscription Agreement.

## ***The RZ Group Subscription Agreement and the RZ Capital Subscription Agreement***

The terms of the RZ Group Subscription Agreement and the RZ Capital Subscription Agreement are set out below:

	<b>The RZ Group Subscription Agreement</b>	<b>The RZ Capital Subscription Agreement</b>
<b>Date</b>	: 24 August 2011	24 August 2011
<b>Issuer</b>	: RZ Group	RZ Capital
<b>Subscriber</b>	: Investor	Investor
<b>Subject</b>	: 8,275,000 RZ Group Shares	29,500 RZ Capital Shares
<b>Subscription price</b>	: US\$90.0 million (equivalent to approximately HK\$702.0 million), which was arrived at after arm's length negotiations between RZ Group and the Investor, after taking into account, amongst others, (1) the unaudited consolidated net assets value attributable to the owners of RZ Group of approximately HK\$471.0 million as at 31 March 2011; (2) the increase in consolidated net assets value of RZ Group by HK\$444 million upon the completion of the Additional Subscription; (3) the track record of the RZ Group Companies; (4) the prospects of the RZ Group Companies; and (5) the Investor's contribution of the subscription monies to the business of the RZ Group Companies. The subscription monies shall be payable in cash by the Investor upon the RZ Group Subscription Completion.	: US\$20.0 million (equivalent to approximately HK\$156.0 million), which was arrived at after arm's length negotiations between RZ Capital and the Investor, after taking into account, amongst others, (1) the audited consolidated net assets value of the RZ Capital Companies of approximately HK\$30.1 million as at 31 March 2011; (2) the increase in the consolidated net assets value of RZ Capital by HK\$156 million upon the capitalisation of the RZ Capital Shareholders' Loan; (3) the track record of the RZ Capital Companies; (4) the prospects of the RZ Capital Companies; and (5) the Investor's contribution of the subscription monies to the business of the RZ Capital Companies. The subscription monies shall be payable in cash by the Investor upon the RZ Capital Subscription Completion.

The 8,275,000 RZ Group Shares to be issued pursuant to the RZ Group Subscription Agreement and the 29,500 RZ Capital Shares to be issued pursuant to the RZ Capital Subscription Agreement when allotted and issued, will rank pari passu in all respects with the RZ Group Shares and the RZ Capital Shares respectively in issue on the date of allotment.

The 8,275,000 RZ Group Shares to be issued pursuant to the RZ Group Subscription Agreement represent (1) approximately 31.83% of the existing issued share capital of RZ Group as at the date of this announcement; and (2) approximately 24.14% of the issued share capital of the RZ Group as enlarged by the issue of the 8,275,000 RZ Group Shares pursuant to the RZ Group Subscription Agreement.

The 29,500 RZ Capital Shares to be issued pursuant to the RZ Capital Subscription Agreement represent (1) approximately 41.84% of the issued share capital of RZ Capital as enlarged by the issue of the RZ Capital Shares pursuant to the capitalisation of the RZ Capital Shareholders' Loan; and (2) approximately 29.50% of the issued share capital of RZ Capital as enlarged by the issue of the RZ Capital Shares pursuant to the capitalisation of the RZ Capital Shareholders' Loan and the 29,500 RZ Capital Shares pursuant to the RZ Capital Subscription Agreement.

### **Conditions precedent**

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

- (1) the compliance by the Company with all applicable requirements under the Listing Rules including but not limited to the holding of a general meeting of the Company for the passing of a resolution to approve, amongst others, the entering into of the Transaction Documents (other than Xie's S&P Agreement), the RZ Group Shareholders' Agreement, the RZ Capital Shareholders' Agreement and the respective transactions contemplated thereunder including, amongst others, the entering into of the RZ Group Loan Agreement and the Loan and Guarantee Services Agreement;
- (2) there being no material adverse change prior to the Transaction Documents Completion and for this purpose, material adverse change means any effect attributable to or resulting from an event, circumstance, occurrence or non-occurrence since 31 March 2011 that, individually or in the aggregate with other events, circumstances, occurrences or non-occurrences since that date, is or would reasonably be expected to be materially adverse to the business, assets, financial condition or results of the operations of the RZ Group Companies and the RZ Capital Companies taken as a whole;
- (3) all third party consents to RZ Group S&P, Xie's S&P, RZ Group Subscription and RZ Capital Subscription that are required under any contract to which RZ Group and its subsidiaries is a party having been obtained;
- (4) all steps of the Pre-Completion Reorganisation having been completed (A) in accordance with the provisions therein; and (B) to the reasonable satisfaction of the Investor; and
- (5) each of the Transaction Documents becoming wholly unconditional in all respects except for any condition in the other Transaction Documents relating to such Transaction Document becoming unconditional and except for payment of the consideration in accordance with its terms, and the Transaction Documents not being terminated in accordance with their respective terms.

The Investor may at any time waive in whole or in part of any of the conditions precedent set out in each of the Transaction Documents (other than condition precedent (1) above).

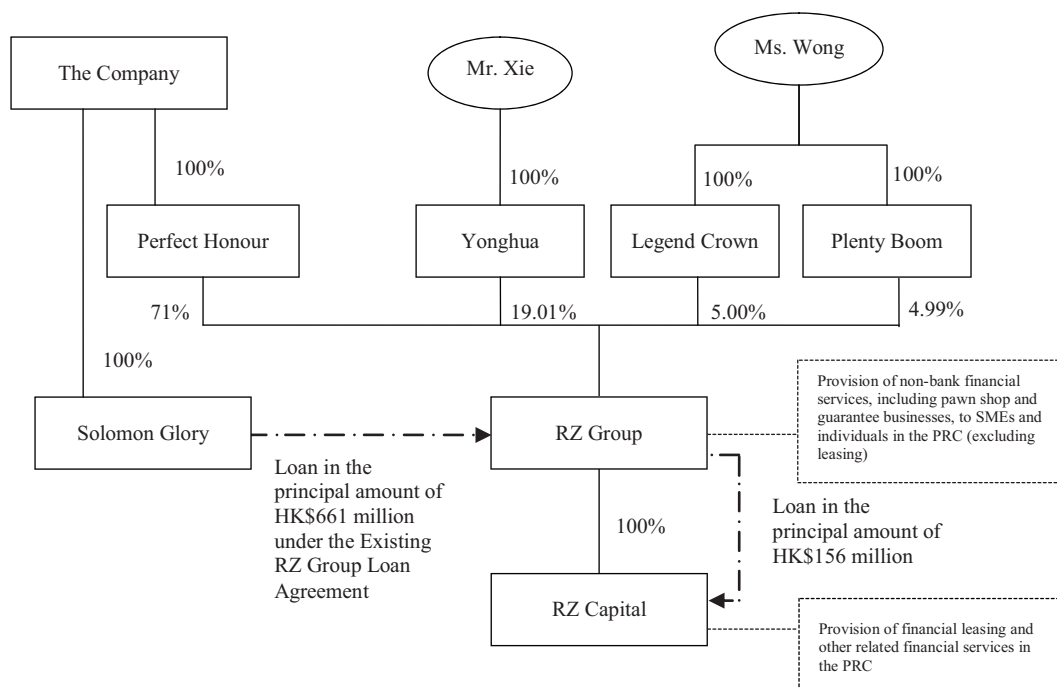
If all the conditions precedent set out in each Transaction Document have not been fulfilled or waived on or before 31 October 2011 (or such later date as may be agreed in writing by the parties to the

relevant Transaction Document), then, either party may terminate such Transaction Document and any party to each of the other Transaction Documents may terminate such Transaction Document.

### Pre-Completion Reorganisation and Transaction Documents Completion

Pursuant to, amongst others, the Transaction Documents, RZ Group and RZ Capital shall effect all steps in the Pre-Completion Reorganisation on or prior to the Transaction Documents Completion.

Set out below is a simplified shareholding structure of RZ Group and RZ Capital as at the date of this announcement:

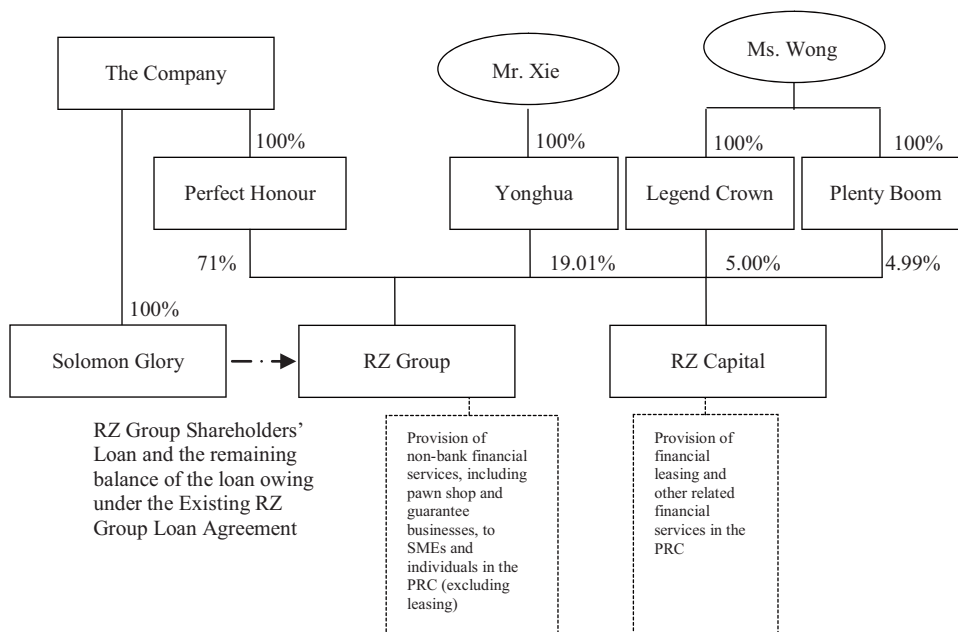


The Pre-Completion Reorganisation involves, amongst others, the following steps:

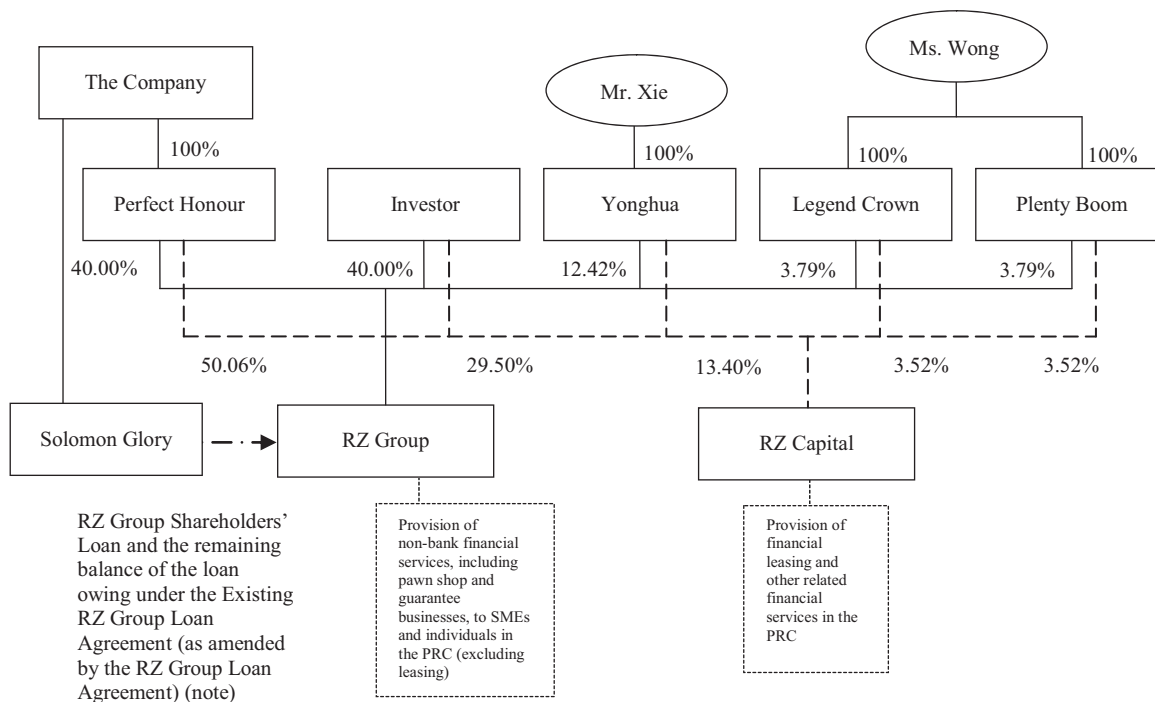
- (1) RZ Group shall assign the loan in the principal amount of HK\$156 million due from RZ Capital to Solomon Glory to set-off part of the principal amount of the loan due from RZ Group to Solomon Glory under the Existing RZ Group Loan Agreement;
- (2) Perfect Honour, Yonghua, Legend Crown and Plenty Boom shall acquire from RZ Group the entire issued share capital of RZ Capital in the Relevant Proportion at an aggregate consideration of US\$10,000 (equivalent to approximately HK\$78,000) payable in cash upon completion and of which Perfect Honour shall bear US\$7,100 (equivalent to approximately HK\$55,380);
- (3) Solomon Glory shall assign the loan in the principal amount of HK\$156 million due from RZ Capital to Perfect Honour, Yonghua, Legend Crown and Plenty Boom in the Relevant Proportion at face value, and Perfect Honour shall be assigned with 71% thereof, being approximately HK\$110.8 million. Each of Yonghua, Legend Crown and Plenty Boom shall settle the consideration in relation to such assignment by cash; and
- (4) RZ Capital shall capitalise the RZ Capital Shareholders' Loan by allotment and issuance of new RZ Capital Shares to Perfect Honour, Yonghua, Legend Crown and Plenty Boom in the Relevant Proportion.



Set out below is a simplified shareholding structure of RZ Group and RZ Capital immediately after the Pre-Completion Reorganisation Completion and prior to the Transaction Documents Completion:



Set out below is a simplified shareholding structure chart of RZ Group and RZ Capital immediately after the Pre-Completion Reorganisation Completion and the Transaction Documents Completion:



*Note:* The remaining balance of the loan (other than the RZ Group Shareholders' Loan) owing under the Existing RZ Group Loan Agreement (as amended by the RZ Group Loan Agreement) shall be repaid by RZ Group to Solomon Glory in accordance with the terms of the Existing RZ Group Loan Agreement.

## Shareholders' agreements

To govern the rights and obligations of the shareholders of RZ Group and RZ Capital, RZ Group and RZ Capital (as the case may be), Perfect Honour, the Investor, Yonghua, Legend Crown, Plenty Boom and Mr. Xie will enter into the RZ Group Shareholders' Agreement and the RZ Capital Shareholders' Agreement (as the case may be) upon the Transaction Documents Completion.

### *Terms applicable to both of the RZ Group Shareholders' Agreement and the RZ Capital Shareholders' Agreement*

#### (1) Repurchase or redemption of shares

Commencement of the Proposed IPO, change of business and ownership of the Company

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

- (A) Perfect Honour, Mr. Xie, Yonghua, Legend Crown or Plenty Boom unreasonably or improperly objects, delays or otherwise obstructs the Proposed IPO when RZ Group or RZ Capital has already met the listing requirements;
- (B) unless otherwise agreed to in writing by all of the shareholders of RZ Group or RZ Capital (as the case may be), RZ Group or RZ Capital (as the case may be) still has not commenced the listing preparation work in relation to the Proposed IPO before 31 December 2012;
- (C) at the direction of Perfect Honour, Mr. Xie, Yonghua, Legend Crown or Plenty Boom but against the advice of the Investor acting reasonably, RZ Group or RZ Capital (as the case may be) embarks on new sectors that are irrelevant to their respective original businesses; and
- (D) the direct or indirect percentage ownership of Mr. Wong, Charles Yu Lung, 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 the Investor, the Investor may, by written notice, require Perfect Honour, Yonghua, Legend Crown and Plenty Boom to elect either of the following and the selection of the options shall be mutually agreed by Perfect Honour, Yonghua, Legend Crown and Plenty Boom:

- (A) procure RZ Group and RZ Capital (provided that the Proposed IPO in relation to them has not taken place) to redeem, and RZ Group and RZ Capital shall redeem, on several basis, a pro rata portion of their respective RZ Group Shares and RZ Capital Shares at the lower of the par value of such RZ Group Shares and RZ Capital Shares; and 50% of the net assets value per such RZ Group Share and RZ Capital Share, such that the Investor's beneficial ownership in the total issued share capital of RZ Group and RZ Capital will reach 50.1% and Perfect Honour, Yonghua, Legend Crown and Plenty Boom's shareholdings in both RZ Group and RZ Capital will become approximately 35.43%, 9.48%, 2.50% and 2.49% respectively; or
- (B) on a several basis, purchase all (but not part) of the RZ Group Shares and the RZ Capital Shares (provided that the Proposed IPO in relation to them has not taken place) purchased and/or subscribed by the Investor pursuant to the Transaction Documents at a price equal to:

- (a) for the RZ Group Shares, (I) the aggregate of the sum of the RZ Group Investment Amount, plus interest on the RZ Group Investment Amount at the rate of 20% per annum, compounded annually, from the date of the Transaction Documents Completion and ending on the date of such purchase, and minus (II) all dividends actually distributed by RZ Group to the Investor, and the cash consideration actually paid by Mr. Xie to the Investor pursuant to the exercise of the call option granted to Mr. Xie as mentioned below; and/or
- (b) for the RZ Capital Shares, (I) the aggregate of the sum of the RZ Capital Investment Amount, plus interest on the RZ Capital Investment Amount at the rate of 20% per annum, compounded annually, from the date of the Transaction Documents Completion and ending on the date of such purchase, and minus (II) all dividends actually distributed by RZ Capital to the Investor,

such that after completion of the above, Perfect Honour, Yonghua, Legend Crown and Plenty Boom's shareholdings in RZ Group and RZ Capital shall be in the Relevant Proportion.

In the event that the aforesaid obligations are triggered, the Directors would observe the requirements under the Listing Rules (including but not limited to the sufficiency of operations and notifiable transactions requirements) before selecting the options available.

#### Non-completion of the Proposed IPO

Unless otherwise agreed to in writing by all of the shareholders of RZ Group or RZ Capital, if RZ Group or 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 the Investor), the Investor may request Perfect Honour, Yonghua, Legend Crown and Plenty Boom either:

- (A) to immediately fulfill their respective obligations in connection with the Additional Subscription (applicable to RZ Group only); or
- (B) at their sole and absolute discretion jointly elect to either:–
  - (a) on several basis, purchase all (but not part) of the RZ Group Shares and the RZ Capital Shares (provided that the Proposed IPO in relation to them has not taken place) purchased and/or subscribed by the Investor pursuant to the Transaction Documents; or
  - (b) procure RZ Group and RZ Capital to redeem all (but not part) of the RZ Group Shares and RZ Capital Shares (provided that the Proposed IPO in relation to them has not taken place) purchased and/or subscribed by the Investor pursuant to the Transaction Documents,

at the repurchase price or the redemption price equal to:

- (i) in respect of the RZ Group Shares, the RZ Group Investment Amount plus the higher of (I) 12% on the RZ Group Investment Amount and (II) the undistributed profits of RZ Group that are attributable to the Investor, and minus the cash consideration actually paid by Mr. Xie to the Investor pursuant to the exercise of the call option granted to Mr. Xie as mentioned below; and

- (ii) in respect of the RZ Capital Shares, the RZ Capital Investment Amount plus the higher of (I) 12% on the RZ Capital Investment Amount and (II) the undistributed profits of RZ Capital that are attributable to the Investor,

such that after completion of the above, Perfect Honour, Yonghua, Legend Crown and Plenty Boom's shareholdings in each of RZ Group and RZ Capital (as the case may be) shall be in the Relevant Proportion.

#### Breach of non-compete undertaking

Perfect Honour and its affiliates shall not, directly or indirectly, engage in any business that competes with the business of each of the RZ Group Companies and the RZ Capital Companies (except through the RZ Group Companies and the RZ Capital Companies), save and except for continuing their respective existing project financing business and owning no more than 10% interest in any company carrying on such business. In the event that Perfect Honour or any of its affiliates breaches such undertaking and has not cured such breach within a reasonable time frame requested by the Investor, Yonghua, Legend Crown or Plenty Boom, each of the Investor, Yonghua, Legend Crown and Plenty Boom shall have the right to sell all (but not part) of its RZ Group Shares and RZ Capital Shares (provided that the Proposed IPO in relation to them has not taken place) to Perfect Honour, in the following manner:

(A) in respect of the Investor, at a price equal to:

(a) in respect of the RZ Group Shares:

(I) the sum of (i) the RZ Group Investment Amount; plus (ii) an interest on the RZ Group Investment Amount at the rate of 30% per annum, compounded annually, from the date of Transaction Documents Completion and ending on the date of such sale, minus (II) all the dividends actually distributed or declared by RZ Group to the Investor, and minus (III) the cash consideration actually paid by Mr. Xie to the Investor pursuant to the exercise of the call option granted to Mr. Xie as mentioned below; and

(b) in respect of the RZ Capital Shares:

(I) the sum of (i) the RZ Capital Investment Amount; plus (ii) an interest on the RZ Capital Investment Amount at the rate of 30% per annum, compounded annually, from the date of Transaction Documents Completion and ending on the date of such sale, minus (II) all the dividends actually distributed or declared by RZ Capital to the Investor; and

(B) in respect of Yonghua, Legend Crown and Plenty Boom, at a price equal to two times the consolidated net assets value of the RZ Group Companies and the RZ Capital Companies (as the case maybe) as at the date of their exercise of such rights times the then shareholding percentage of Yonghua, Legend Crown and Plenty Boom in each of RZ Group and RZ Capital.

During the period from the date of the RZ Group Shareholders' Agreement and the RZ Capital Shareholders' Agreement until the third anniversary of the completion of the Proposed IPO, it is agreed, amongst others, that (1) Mr. Xie shall devote substantially all of his business time and attention to the operation of the RZ Group Companies and the RZ Capital Companies; (2) Mr. Xie and his affiliates shall not, directly or indirectly, individually or jointly with others or in a representative capacity on behalf of any person or entity, operate, engage in, participate in or own any beneficial interest in any business in places where any member of the RZ Group Companies and the RZ Capital Companies has started business operation; and (3) Mr. Xie will

not voluntarily resign from the RZ Group Company and the RZ Capital Companies. In the event that Mr. Xie, or any of his affiliates breaches such undertaking, and has not cured the breach within a reasonable time frame requested by the Investor or Perfect Honour, each of the Investor and Perfect Honour shall have the right to sell all (but not part) of their respective RZ Group Shares and RZ Capital Shares (provided that the Proposed IPO in relation to them has not taken place) to Mr. Xie, in the following manner:

(A) in respect of the Investor at a price equal to:

(a) in respect of the RZ Group Shares:

(I) the sum of (i) the RZ Group Investment Amount; and (ii) an interest on the RZ Group Investment Amount at the rate of 30% per annum, compounded annually, from the date of Transaction Documents Completion and ending on the date of such sale, minus (II) all the dividends actually distributed or declared by RZ Group to the Investor, and minus (III) the cash consideration actually paid by Mr. Xie to the Investor pursuant to the exercise of the call option granted to Mr. Xie as mentioned below; and

(b) in respect of the RZ Capital Shares:

(I) the sum of (i) the RZ Capital Investment Amount; and (ii) an interest on the RZ Capital Investment Amount at the rate of 30% per annum, compounded annually, from the date of Transaction Documents Completion and ending on the date of such sale, minus (II) all the dividends actually distributed or declared by the RZ Capital to the Investor; and

(B) in respect of Perfect Honour, at a price equal to two times the consolidated net assets value of each of the RZ Group Companies and the RZ Capital Companies as at the date of its exercise of such rights times the then shareholding percentage of Perfect Honour in each of RZ Group and RZ Capital.

In the event that the aforesaid obligations are triggered, the Directors would observe the requirements under the Listing Rules (including but not limited to the sufficiency of operations and notifiable transactions requirements) before selecting the options available.

(2) Right of first refusal and tag-along

If at any time a shareholder of RZ Group or RZ Capital (the “**Selling Shareholder**”) wishes to transfer all of its RZ Group Shares or RZ Capital Shares (as the case may be) (the “**Sale Shares**”) to any person (other than to a wholly owned subsidiary) (the “**Third Party Purchaser**”), it shall serve written notice of such intent (the “**ROFR Notice**”) on all the other shareholders (the “**Non-Selling Shareholders**”). Upon receipt of a ROFR Notice, the Non-Selling Shareholders shall have the right, but not obligation, to purchase all, but not a part of, the Sale Shares at a pro rata portion.

If at anytime the ROFR Notice has been issued, any Non-Selling Shareholder may, if it does not exercise its right to purchase the Sale Shares, by notice in writing to the Selling Shareholder, require the Selling Shareholder to cause the Third Party Purchaser to purchase from it the total number of RZ Group Shares or RZ Capital Shares (as the case may be) held by such Non-Selling Shareholder, on the same terms as those offered to the Selling Shareholder.

(3) Liquidation preference

In the event of liquidation, winding-up or dissolution of RZ Group or RZ Capital (as the case may be) and subject to RZ Group or RZ Capital (as the case may be) being solvent, the Investor shall be entitled to receive in preference to the other shareholders an amount equal to (A) the RZ Group Investment Amount or the RZ Capital Investment Amount (as the case may be) and any declared but unpaid dividends for RZ Group Shares or RZ Capital Shares (as the case may be) and minus (B) the cash consideration actually paid by Mr. Xie as mentioned below to the Investor pursuant to the exercise of the call option granted to Mr. Xie and all amounts which any of the parties to the Transaction Documents (other than the Investor) have paid to the Investor pursuant to any claim made under the Transactions Documents (together, the “**Preference Amount**”), proportionately adjusted for share splits, share dividends and recapitalisations. After the Preference Amount has been paid to the Investor, any remaining assets or proceeds received by RZ Group or RZ Capital (as the case may be) shall be distributed to the other shareholders on a pro rata basis.

(4) Compensation to Mr. Xie

In consideration of Mr. Xie’s contribution as a key member of senior management of both the RZ Group Companies and the RZ Capital Companies, Mr. Xie’s aggregate base monthly salary for his posts at both companies shall be RMB40,000 (after tax) (equivalent to approximately HK\$47,600) plus HK\$40,000 (before tax) in respect of the RZ Group Companies and RMB10,000 (equivalent to approximately HK\$11,900) (after tax) plus HK\$10,000 (before tax) in respect of the RZ Capital Companies (the “**basic salary**”).

If the audited consolidated net profits attributable to the owners of RZ Group for the financial year ending 31 March 2013 reaches RMB220 million (equivalent to approximately HK\$261.8 million), Mr. Xie’s aggregate annual salary for his posts at both of the RZ Group Companies and the RZ Capital Companies shall be RMB3.6 million (equivalent to approximately HK\$4.3 million) (after tax) plus HK\$600,000 (before tax) and such increment of RMB3 million (equivalent to approximately HK\$3.6 million) (after tax) from the basic salary will be borne by the RZ Group Companies.

If the audited consolidated net profits attributable to the owners of RZ Group for the financial year ending 31 March 2013 exceed the amount set out in RZ Group’s business plan for the corresponding periods approved by the board of directors of RZ Group, Mr. Xie’s aggregate annual salary for his posts at both of the RZ Group Companies and the RZ Capital Companies shall be further increased as approved by the board of directors of RZ Group. The board of directors of RZ Group shall formulate such incentive plans after the signing of the RZ Group Shareholders’ Agreement.

## *Terms only applicable to the RZ Group Shareholders' Agreement*

### (1) The RZ Group Shareholders' Loan and the Additional Subscription

As set out in the announcement of the Company dated 17 March 2010, Solomon Glory and RZ Group entered into the Existing RZ Group Loan Agreement, pursuant to which Solomon Glory granted a revolving loan facility of up to HK\$900 million to RZ Group. The details of the terms of the Existing RZ Group Loan Agreement have been set out in the said announcement and are summarized as follows:

**Parties**   Solomon Glory, as lender  
  RZ Group, as borrower

#### **Principal terms**

Amount   :     A revolving loan facility of up to HK\$900 million,

Availability period                         :     Until the earlier of (i) the date falling 7 business days before the repayment date; or (ii) the date on which the Existing RZ Group Loan Agreement is cancelled or terminated in accordance with the provisions thereof

Term   :     For a period of 36 months from 11 May 2010, unless otherwise extended by Solomon Glory at its absolute discretion

Interest   :     10% per annum

As a term of the Introduction, Solomon Glory will enter into the RZ Group Loan Agreement with RZ Group on the date of the Transaction Documents Completion to, amongst others, extend the repayment date of the RZ Group Shareholders' Loan to the day falling 36 months after the date of Transaction Documents Completion or the day immediately before the completion of the Proposed IPO relating to the RZ Group Companies, whichever is earlier (the "**Expiry Date**") and reduce the interest rate in respect of the RZ Group Shareholders' Loan from 10% per annum to 5% per annum. If the Investor ceases to be a shareholder of RZ Group prior to the Expiry Date, the interest rate in respect of the RZ Group Shareholders' Loan shall be restored to 10% per annum. The repayment date and interest rate in respect of the remaining outstanding amount under the Existing RZ Group Loan Agreement shall remain unchanged.

As at the date of this announcement, an outstanding principal amount of HK\$661.0 million is owing by RZ Group to Solomon Glory under the Existing RZ Group Loan Agreement. Pursuant to the Pre-Completion Reorganisation, RZ Group shall assign the RZ Capital Shareholders' Loan of HK\$156.0 million due from RZ Capital to Solomon Glory to set-off part of the outstanding amount of the loan due from RZ Group to Solomon Glory under the Existing RZ Group Loan Agreement.

Pursuant to the RZ Group Shareholders' Agreement, Perfect Honour shall procure Solomon Glory to continue to comply with the terms of the RZ Group Loan Agreement and to assign the RZ Group Shareholders' Loan at its face value to Perfect Honour, Yonghua, Legend Crown and Plenty Boom in the Relevant Proportion. The RZ Group Shareholders' Loan would be set off against the aggregate subscription monies payable for the Additional Subscription, involving the subscription of the additional RZ Group Shares by each of Perfect Honour, Yonghua, Legend Crown and Plenty Boom at an aggregate subscription price of HK\$444 million in the Relevant Proportion pursuant to the RZ Group Shareholders' Agreement on or before (whichever is earlier) at least 28 days before the making of an application for the Proposed IPO in relation to the RZ Group Companies and immediately upon failure by (i) Solomon Glory to comply with any provision of the RZ Group Loan Agreement and/or (ii) Perfect Honour to fulfill its obligation as aforesaid.

Yonghua, Legend Crown and Plenty Boom shall pay an aggregate consideration of approximately HK\$128.8 million in cash to Solomon Glory upon the aforesaid assignment.

Upon the completion of the Additional Subscription, the Investor has the right but not the obligation to subscribe for new RZ Group Shares at par value so that the Investor's shareholding percentage in RZ Group shall be maintained at the level immediately before completion of the Additional Subscription. Any remaining balance of the loan due from RZ Group to Solomon Glory under the Existing RZ Group Loan Agreement (as amended by the RZ Group Loan Agreement) shall be repaid in full in accordance with the terms of the Existing RZ Group Loan Agreement.

(2) Appointment of directors

The board of directors of RZ Group shall consist of five directors, of whom Perfect Honour shall be entitled to nominate two directors, the Investor shall be entitled to nominate two directors, and the other shareholders shall collectively be entitled to nominate one director.

(3) Performance target

RZ Group undertakes that the RZ Group 2013 Profit shall be no less than RMB220 million.

If RZ Group 2013 Profit is higher than RMB160 million but lower than RMB220 million, then each of Mr. Xie, Yonghua, Legend Crown and Plenty Boom shall jointly and severally agree and undertake to RZ Group to reimburse RZ Group a portion of the interest on the RZ Group Shareholders' Loan granted by Solomon Glory under the Existing RZ Group Loan Agreement (as amended by the RZ Group Loan Agreement) in accordance with the following formula:

$$\begin{array}{l} \text{Interest payable by RZ Group to the Solomon} \\ \text{Glory on the RZ Group Shareholders' Loan} \\ \text{under the Existing RZ Group Loan Agreement} \\ \text{(as amended by the RZ Group Loan Agreement)} \\ \text{for period starting on the date of the RZ Group} \\ \text{Shareholders' Agreement and ending} \\ \text{on 31 March 2013} \end{array} \quad \times \quad \frac{\text{RMB220 million} - \text{RZ Group 2013 Profit}}{\text{RMB220 million} - \text{RMB160 million}}$$



If RZ Group 2013 Profit is lower than RMB160 million, then RZ Group shall, and Perfect Honour, Mr. Xie, Yonghua, Legend Crown and Plenty Boom shall procure, at the written request of the Investor, immediately redeem all (but not part of) the RZ Group Shares and RZ Capital Shares (provided that the Proposed IPO in relation to the RZ Capital Companies has not taken place) respectively held by the Investor at a price which is equal to:

- (A) for the RZ Group Shares, (a) the RZ Group Investment Amount, plus (b) an interest on the RZ Group Investment Amount at the rate of 30% per annum, compounded annually, from the Transaction Documents Completion, and ending on the date of such redemption and minus (c) the cash consideration actually paid by Mr. Xie to the Investor pursuant to the exercise of the call option granted to Mr. Xie as mentioned below; and
- (B) for the RZ Capital Shares, (a) the RZ Capital Investment Amount, plus (b) an interest on the RZ Capital Investment Amount at the rate of 30% per annum, compounded annually, from the Transaction Documents Completion, and ending on the date of such redemption,

such that after completion of the above, Perfect Honour, Yonghua, Legend Crown and Plenty Boom's shareholdings in RZ Group and RZ Capital shall be in the Relevant Proportion.

(4) Call option granted to Mr. Xie

Before the completion of the Proposed IPO, but in any event no later than 31 December 2015, Mr. Xie shall have the right, but not the obligation, to purchase equal number of the RZ Group Shares from each of Perfect Honour and the Investor, each representing up to 50% of the total number of RZ Group Shares sold by Mr. Xie to the Investor pursuant to the Xie's S&P, at a price per RZ Group Share equal to (I) the price per RZ Group Share paid under the Xie's S&P Agreement plus (II) an interest on the price per RZ Group Share paid under the Xie's S&P Agreement at the rate of 6% per annum, compounded annually, from the date of Transaction Documents Completion and ending on the date of such purchase.

(5) Restriction on Yonghua, Legend Crown and Plenty Boom to transfer shares of RZ Group

Prior to the completion of the Proposed IPO, Yonghua, Legend Crown and Plenty Boom shall be permitted to transfer the RZ Group Shares beneficially owned by them in the aggregate representing not more than 5% of the total number of issued RZ Group Shares with a value of not more than approximately HK\$130.0 million, or to pledge not more than 5% of the total number of issued RZ Group Shares beneficially owned by them to secure a loan in an amount of not more than approximately HK\$130.0 million.

If Yonghua, Legend Crown and Plenty Boom breach the above terms, each of Perfect Honour and the Investor shall be entitled to acquire a pro rata portion of all the RZ Group Shares beneficially owned by Yonghua, Legend Crown and Plenty Boom, each at a total consideration price of HK\$1.00.

(6) Financial Assistance

As at the date of this announcement, the RZ Group Companies provide certain guarantees to the RZ Capital Companies in relation to certain bank loans drawn by the RZ Capital Companies. As contemplated under the Transaction Documents, the RZ Group Companies will, after the Transaction Documents Completion, continue to provide an unlimited guarantee in favour of any financial institutions as security for the grant of facilities by such financial institutions to the RZ Capital Companies (the “**Guarantee Services**”) at a guarantee fee of 1.5% of the outstanding guaranteed amount from time to time for a period of three years from the date of the Loan and Guarantee Services Agreement.

In addition, as at the date of this announcement, the RZ Group Companies is indebted to the RZ Capital Companies for a sum of approximately RMB140.4 million. As contemplated under the Transaction Documents, and in consideration of the provision of the Guarantee Services by the RZ Group Companies to the RZ Capital Companies, the RZ Capital Companies will, after the Transaction Documents Completion, continue to provide a revolving loan facility of not more than RMB150 million to the RZ Group Companies at a fixed rate of 3.0% per annum for a period of 24 months from the date of the Loan and Guarantee Services Agreement or until the day immediately before completion of the Proposed IPO, whichever is earlier (the “**Revolving Loan Facility**”).

In connection with the above, RZ Group will enter into of the Loan and Guarantee Services Agreement with RZ Capital on or before the Transaction Documents Completion. Details of the terms are set out below:

<b>Parties</b>	RZ Capital RZ Group
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**Principal terms of the Guarantee Services**

Guarantee fee	:	1.5% per annum of the outstanding guaranteed amount from time to time
Service period	:	For a period of three years from the date of the Loan and Guarantee Services Agreement or until the day immediately before completion of the Proposed IPO, whichever is earlier

## **Principal terms in relation to the Revolving Loan Facility**

Amount	:	A revolving loan facility of up to RMB150 million
Availability period	:	The period commencing on the date of the Loan and Guarantee Services Agreement and ending on the earlier of (i) the date falling 7 business days before the final repayment date; or (ii) the date on which the Revolving Loan Facility is cancelled or terminated in accordance with the provisions of the Loan and Guarantee Services Agreement
Term	:	For a period of 24 months from the date of the Loan and Guarantee Services Agreement or until the day immediately before completion of the Proposed IPO, whichever is earlier
Interest	:	3% per annum
Purpose	:	As the general working capital of the RZ Group Companies

### ***Terms only applicable to the RZ Capital Shareholders' Agreement***

#### *Appointment of directors*

The board of directors of RZ Capital shall have five directors, of whom Perfect Honour shall be entitled to nominate three directors, the Investor shall be entitled to nominate one director, and the other shareholders shall collectively be entitled to nominate one director.

#### **Trademark Licence**

Mr. Xie has agreed to grant to each of the RZ Group Companies and the RZ Capital Companies a non-exclusive, royalty-free and perpetual licence to use the trademarks namely “融众” and “Rong Zhong” in the PRC on and in relation to the financial services. The registration of the relevant trademarks will be expired in 2015.

#### **Undertaking by the Company**

In connection with the Introduction, the Company has acknowledged to the Investor that for so long as the RZ Group Shareholders' Agreement and/or the RZ Capital Shareholders' Agreement remain valid and binding on Perfect Honour and the Investor:

- (1) if for any reason Perfect Honour defaults in the performance of its obligations with respect to the capitalisation of the RZ Capital Shareholders' Loan by allotment and issuance of new RZ Capital Shares and the Additional Subscription, the Company shall perform (or procure the performance of) and satisfy (or procure the satisfaction of) such obligations on behalf of Perfect Honour;
- (2) the Company shall not, and shall use all reasonable endeavours to procure that the subsidiaries do not, engage in any activity, or any series of activities, which will directly or indirectly, undermine the fulfillment of the obligations of Perfect Honour under the Transaction Documents;

- (3) the Company shall maintain a controlling interest in Perfect Honour and will not deal with or otherwise mortgage, charge or assign its interest in Perfect Honour without the Investor's consent;
- (4) the Company shall not, and shall use all reasonable endeavours to procure its subsidiaries will not, directly or indirectly, engage in any business that competes with the existing business of the RZ Group Companies and the RZ Capital Companies, except for (A) through its investment in RZ Group and RZ Capital; (B) its existing project financing business; and (C) owning no more than a 10% equity in any company that may have direct or indirect competition with the RZ Group Companies and the RZ Capital Companies; and
- (5) the Company acknowledges that it may be required by the relevant regulators, sponsors, underwriters and professional parties to provide the necessary information, undertakings, confirmations and declarations and take other actions as are commonly required of a substantial shareholder of a listing applicant at the material times and the Company shall use all reasonable endeavours to give all necessary assistance to such effect in support of the Proposed IPO.

## **INFORMATION ON THE INVESTOR**

As confirmed by the Investor, as at the date of this announcement, the Investor is a wholly-owned subsidiary of Hony Capital and is principally engaged in investment holding activities.

As confirmed by the Investor, Hony Capital is a leading PRC-focused private equity firm and has over US\$4.4 billion in assets under management across six funds and investments in over 40 companies. The single largest investor is a wholly-owned subsidiary of Legend Holdings Limited which has approximately 14.3% interest in Hony Capital. Apart from Legend Holdings Limited, Hony Capital has 77 other investors with interests ranging from 0.02% to 7.15% in Hony Capital.

The Directors confirm that, to the best of their knowledge, information and belief having made all reasonable enquiries, the Investor and its ultimate beneficial owners are Independent Third Parties from the Company and its connected persons.

## **INFORMATION ON RZ GROUP AND RZ CAPITAL**

### **RZ Group**

The RZ Group Companies engage principally in the provision of non-bank financial services, comprising pawn shop business, fund management, investment banking and loan guarantee services, to small-and-medium enterprises ("SMEs"), individuals and retail customers in the various cities of the PRC. In particular with the loan guarantee services, RZ Group mainly provides services in relation to three types of products: (1) working capital loans; (2) motor-vehicle loans; and (3) real estate properties loans.

Out of 71% interest of the Group in RZ Group (including RZ Capital), 40% of interest was subscribed in December 2004 while the rest of interest was acquired from Mr. Xie through a series of acquisitions with the earliest one in July 2005.

Set out below is the unaudited consolidated financial information of the RZ Group Companies prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended 31 March 2010 (HK\$'million)	<b>For the year ended 31 March 2011 (HK\$'million)</b>
Revenue	258.1	<b>238.2</b>
Profit before income tax	79.2	<b>107.9</b>
Profit after income tax	48.6	<b>72.6</b>

As at 31 March 2011, the unaudited consolidated net assets value attributable to the owners of RZ Group was approximately HK\$471.0 million and the assets of the RZ Group Companies mainly comprised, amongst others, accounts receivable and advances provided to customers, security deposits and bank balances and cash.

### **RZ Capital**

The RZ Capital Companies principally engage in the provision of a wide range of financial leasing service, such as direct leasing, sales and leaseback, leveraged leasing, lease with manufacturer's buy-back undertaking, and other related financial services in the PRC. The target customer group is SMEs across the PRC and the current customer bases spans over various provinces and cities in the PRC, including but not limited to Beijing, Guangdong, Guizhou, Hebei, Henan, Hubei, Hunan, Jiangsu, Jiangxi, Liaoning, Shaanxi, Shanxi, Shanghai, Tianjin and Zhejiang.

The RZ Capital Companies were set up by RZ Group and have commenced the finance leasing business since 2008 after the obtaining of the wholly foreign-owned leasing license from the government authority of the PRC.

Set out below is the audited consolidated financial information of the RZ Capital Companies prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended 31 March 2010 (HK\$'million)	<b>For the year ended 31 March 2011 (HK\$'million)</b>
Revenue	11.1	<b>35.2</b>
Profit before income tax	7.5	<b>24.1</b>
Profit after income tax	5.8	<b>19.6</b>

As at 31 March 2011, the audited consolidated net assets value of RZ Capital was approximately HK\$30.1 million and the assets of the RZ Capital Companies mainly comprised, amongst others, finance leases receivable.

### **INFORMATION ON MR. XIE**

Mr. Xie has been an executive Director since April 2007. He is also the director of RZ Group and most of its subsidiaries (including RZ Capital), supervising the businesses of the RZ Group Companies and the RZ Capital Companies. Mr. Xie is the chairman of the Wuhan Pawn Association, a guest professor of the Management Technology College of the Hubei University of Economy, an arbitrator

of the Wuhan Arbitration Commission and a member of Hubei Provincial People's Congress. Mr. Xie has experience in the non-bank financing businesses for around 10 years.

## **USE OF PROCEEDS AND REASONS OF THE INTRODUCTION**

The net proceeds from the RZ Group S&P Agreement of approximately HK\$302 million will be applied as general working capital of the Remaining Group, while the net proceeds from the RZ Group Subscription Agreement and the RZ Capital Subscription Agreement of approximately HK\$702.0 million and HK\$156.0 million respectively, will be applied for further expansion of the respective businesses of the RZ Group Companies and the RZ Capital Companies.

The Directors consider that the businesses of the RZ Group Companies and the RZ Capital Companies are capital intensive, the Introduction will provide approximately HK\$702.0 million and HK\$156.0 million respectively to them so that they can further expand their businesses both in the existing geographical locations as well as new geographical locations while the net proceeds of approximately HK\$302 million to be received by the Remaining Group will provide additional working capital for its existing businesses and for the exploration of new investment opportunities in its existing businesses and/or in other businesses if and when the Directors identify any new business opportunities.

The Directors consider that one of the key success factors of the business of the RZ Group Companies is having sufficient capital resources as it is in the business of non-bank financial services. As a result of the Introduction, the RZ Group Companies will raise a gross proceed of approximately HK\$702.0 million. On such basis, the Directors consider that the results of operation of the RZ Group Companies should be further improved after the Transaction Documents Completion.

The Group expects to recognise a gain of approximately HK\$552 million from the Introduction, which is calculated based on, amongst others, the consideration received by the Group for the disposal of the RZ Group Shares pursuant to the RZ Group S&P Agreement and 40% of the estimated fair value of the RZ Group Companies upon the Transaction Documents Completion. Further details of the calculation basis of the gain will be set out in the circular of the Company to be issued to the Shareholders.

RZ Group is currently a 71% non-wholly owned subsidiary of the Company, its financial results and positions have been consolidated in the consolidated financial statements of the Group. Upon Transactions Documents Completion, RZ Group will be owned as to 40% by the Company and will cease to be a subsidiary and become an associated company of the Company. As such, its financial results and positions will be de-consolidated from, and then be accounted for by equity method in, the consolidated financial statements of the Group, while RZ Capital will be owned as to approximately 50.06% by the Group and will continue to be consolidated in the consolidated financial statements of the Group.

Based on the above, the Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) are of the view that the terms of the Introduction are fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

The principal activities of:

- (1) the Group (other than the RZ Group Companies and the RZ Capital Companies)  
is the provision of project financing and consultancy services in Hong Kong and the PRC;
- (2) the RZ Group Companies  
is the provision of non-bank financial services, comprising pawn shop business, fund management, investment banking and loan guarantee services in the various cities of the PRC; and
- (3) the RZ Capital Companies  
is the provision of non-bank financial services, comprising financial leasing and other related financial services in the PRC.

Upon the Transaction Documents Completion, RZ Capital will continue to be as a non-wholly owned subsidiary of the Company while RZ Group will become an associated company of the Company. As such, the principal activities of the Remaining Group will then be the provision of project financing, consultancy and financial leasing and other related services in Hong Kong and the PRC.

With the net proceeds (including those from the RZ Group S&P and the RZ Capital Subscription) to be received upon the Transaction Documents Completion, the Remaining Group will strengthen the existing businesses with the increase in general working capital and will further expand its existing businesses and/or in other businesses if and when the Directors identify any new business opportunities. The Company has no intention to change its principal activities. As of the date of this announcement, the Company does not have any arrangement, understanding, intention or negotiation, whether formal or informal, whether express or implied, whether concluded or otherwise, about any acquisition or disposal of the existing business and the remaining 40% equity interest in RZ Group. As at the date of this announcement, the Company does not identify nor is in negotiation of any investment opportunities (other than in the course of its existing business operations). The Directors have no current intention to explore investment opportunities other than in its existing business segment.

## **GENERAL**

As the applicable percentage ratios for the transactions contemplated under the Transaction Documents (other than the Xie's S&P Agreement) under the Listing Rules are more than 75%, the Introduction constitutes a very substantial disposal for the Company under the Listing Rules. As at the date of this announcement, Mr. Xie, being an executive Director and interested in 19.01% of RZ Group through his interest in Yonghua, is a party to the Xie's S&P Agreement, the RZ Group Shareholders' Agreement and the RZ Capital Shareholders' Agreement. Accordingly, the Introduction (other than the Xie's S&P) also constitutes a connected transaction for the Company pursuant to Rule 14A.13(1)(b) (i) of the Listing Rules and is subject to the approval of the independent Shareholders at the EGM.

Immediately upon the Transaction Documents Completion, the Investor will become a substantial shareholder of RZ Capital which will continue to be a non-wholly owned subsidiary of the Company, therefore the Investor will become a connected person of the Group. RZ Group, which will be owned as to 40% by the Investor upon the Transaction Documents Completion, will become an associate of the Investor. As a result, the RZ Group Companies will become connected persons of the Group, and therefore, the Loan and Guarantee Services Agreement and the RZ Group Loan Agreement, being

the transactions contemplated under the Introduction, will constitute connected transactions for the Company under the Listing Rules and are subject to the approval of the independent Shareholders at the EGM. In addition, the Company will comply with Practice Note 15 to the Listing Rules regarding the Proposed IPO of the RZ Group Companies and/or the RZ Capital Companies (where appropriate).

As at the date of this announcement, Yonghua, Legend Crown and Plenty Boom are parties to the Transaction Documents and/or the RZ Group Shareholders' Agreement and the RZ Capital Shareholders' Agreement. As such, Mr. Xie (being the owner of Yonghua) and his associates (interested in an aggregate of 126,900,000 Shares, representing approximately 4.6% of the issued share capital of the Company) and Ms. Wong (being the owner of Legend Crown and Plenty Boom) and her associates (including Mr. Wong Yu Lung, Charles (being the father of Ms. Wong) and Ms. Wong, Michelle Yatyee (being the sister of Ms. Wong) (interested in an aggregate of 1,440,615,517 Shares, representing approximately 52.19% of the issued share capital of the Company as at the date of this announcement) shall abstain from voting on the proposed resolution(s) to approve the Introduction (other than the Xie's S&P) and the transactions contemplated thereunder at the EGM. The Company will form an independent board committee to advise the independent Shareholders in respect of the Introduction (other than the Xie's S&P) and the transactions contemplated thereunder. CIMB Securities (HK) Limited has been appointed as the independent financial adviser to advise the independent board committee and the independent Shareholders in this regard.

A circular containing, amongst others, (1) further details of the Introduction; (2) the letter from the independent board committee to the independent Shareholders; (3) the letter from CIMB Securities (HK) Limited, the independent financial adviser, to the independent board committee and the independent Shareholders; and (4) the notice of EGM, will be despatched to the Shareholders on or before 20 September 2011.

**As the Transaction Documents Completion is subject to the satisfaction of a number of conditions, the Introduction may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares was suspended with effect from 9:00 a.m. on 25 August 2011 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 30 August 2011.

## **DEFINITIONS**

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Additional Subscription”	the subscription of the additional RZ Group Shares by each of Perfect Honour, Yonghua, Legend Crown and Plenty Boom at an aggregate subscription price of HK\$444 million in the Relevant Proportion prior to the Proposed IPO of the RZ Group Companies pursuant to the RZ Group Shareholders' Agreement
“Board”	the board of Directors



“Business Day”	any day other than a Saturday, Sunday or public holiday on which banks are generally open for business in Hong Kong throughout their normal business hours
“BVI”	the British Virgin Islands
“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
“connected person(s)”	has the meaning ascribed to it under 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 Transaction Documents (other than the Xie’s S&P Agreement), the RZ Group Shareholders’ Agreement, the RZ Capital Shareholders’ Agreement and the respective transactions contemplated thereunder (including but not limited to the entering into of the RZ Group Loan Agreement, and the Loan and Guarantee Services Agreement)
“Existing RZ Group Loan Agreement”	the loan agreement dated 17 March 2010 entered into between RZ Group as borrower and Solomon Glory as lender in relation to the grant of a revolving loan facility of HK\$900,000,000 by Solomon Glory to RZ Group
“Financial Assistance”	the transactions contemplated under the Loan and Guarantee Service Agreement
“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
“Hony Capital”	Hony Capital Fund 2008, L.P.
“Independent Third Party(ies)”	person(s) or company(ies) who/which is(are) independent from the Company and its connected persons
“Introduction”	the introduction of the Investor to invest in RZ Group and RZ Capital pursuant to the Transaction Documents and the transactions contemplated thereunder
“Investor”	Silver Creation Investments Limited, a company incorporated in the BVI with limited liability

“Legend Crown”	Legend Crown International Limited, a company incorporated in the BVI with limited liability, and wholly-owned by Ms. Wong as at the date of this announcement
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan and Guarantee Services Agreement”	the agreement to be entered into between RZ Group and RZ Capital on or before the Transaction Documents Completion in relation to (i) the grant of a revolving loan facility of not more than RMB150 million by the RZ Capital Companies to the RZ Group Companies; and (ii) the guarantee to be provided by the RZ Group Companies in favour of any financial institutions as security for the grant of banking facilities by such financial institutions to the RZ Capital Companies
“Mr. Xie”	Mr. Xie Xiao Qing, an executive Director
“Ms. Wong”	Ms. Wong, Jacqueline Yue Yee, being the daughter of Mr. Wong Yu Lung, Charles, the Deputy Chairman of the Company and an executive Director
“Perfect Honour”	Perfect Honour Limited, a company incorporated in the BVI with limited liability and wholly-owned subsidiary of the Company 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 as at the date of this announcement
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Pre-Completion Reorganisation”	a series of reorganisations involving, amongst others, the assignment and capitalisation of the RZ Capital Shareholders’ Loan and the acquisition of RZ Capital by Perfect Honour, Yonghua, Legend Crown and Plenty Boom in the Relevant Proportion from RZ Group to be completed on or prior to the Transaction Documents Completion
“Pre-Completion Reorganisation Completion”	completion of the Pre-Completion Reorganisation

“Proposed IPO”	the admission to trading of the RZ Group Shares and/or the RZ Capital Shares on the Stock Exchange, or any other recognised investment or stock exchange, or equivalent admission to trading of the shares in respect of any other member of the RZ Group Companies and/or the RZ Capital Companies which is the holding company of all or substantially all of the operating assets of the RZ Group Companies and/or the RZ Capital Companies (including but not limited to by way of reverse takeover, in which case the RZ Group Companies and the RZ Capital 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)
“Relevant Proportion”	in relation to Perfect Honour, Yonghua, Legend Crown and Plenty Boom, the ratio between the number of RZ Group Shares respectively owned by them as at the date of the Transaction Documents, being 71%, 19.01%, 5% and 4.99%, respectively
“Remaining Group”	the Group immediately after the Transaction Documents Completion
“RMB”	Renminbi, the lawful currency of the PRC
“RZ Capital”	Rongzhong Capital Holdings Limited, a company incorporated in the BVI with limited liability, and indirectly owned as to 71% by Perfect Honour as at the date of this announcement
“RZ Capital Companies”	RZ Capital and its subsidiaries
“RZ Capital Investment Amount”	the subscription price paid by the Investor pursuant to the RZ Capital Subscription Agreement
“RZ Capital Share(s)”	the ordinary share(s) of US\$1.00 each in the share capital of RZ Capital
“RZ Capital Shareholders’ Agreement”	the shareholders’ agreement of RZ Capital to be entered into amongst RZ Capital, Perfect Honour, the Investor, Yonghua, Legend Crown, Plenty Boom and Mr. Xie upon Transaction Documents Completion to govern the rights and obligations of the shareholders of RZ Capital
“RZ Capital Shareholders’ Loan”	the loan of HK\$156 million due from RZ Capital to RZ Group which will be assigned to Solomon Glory which will then assign the same to Perfect Honour, Yonghua, Legend Crown and Plenty Boom in the Relevant Proportion and be subject to capitalisation upon the Pre-Completion Reorganisation Completion
“RZ Capital Subscription”	the subscription of 29,500 RZ Capital Shares by the Investor pursuant to the RZ Capital Subscription Agreement

“RZ Capital Subscription Agreement”	the conditional subscription agreement dated 24 August 2011 entered into between RZ Capital (as issuer) and the Investor (as subscriber) in respect of the RZ Capital Subscription
“RZ Capital Subscription Completion”	completion of the RZ Capital Subscription
“RZ Group”	Rongzhong Group Limited, a company incorporated in the BVI with limited liability, and a 71% owned subsidiary of Perfect Honour as at the date of this announcement
“RZ Group 2013 Profit”	the audited consolidated net profits of the RZ Group Companies for the financial year ending on 31 March 2013 (excluding extraordinary items)
“RZ Group Companies”	RZ Group and its subsidiaries (excluding the RZ Capital Companies)
“RZ Group Investment Amount”	the aggregate purchase price paid by the Investor to Perfect Honour and Yonghua pursuant to the RZ Group S&P Agreement and the Xie’s S&P Agreement, plus the subscription price paid by the Investor pursuant to the RZ Group Subscription Agreement
“RZ Group Loan Agreement”	the supplemental deed to be entered into between RZ Group as borrower and Solomon Glory as lender on or before the Transaction Documents Completion in relation to, amongst others, reduction of interest rate and extension of the final repayment date under the Existing RZ Group Loan Agreement
“RZ Group S&P”	the purchase of 4,750,000 RZ Group Shares from Perfect Honour by the Investor pursuant to the RZ Group S&P Agreement
“RZ Group S&P Agreement”	the conditional sale and purchase agreement dated 24 August 2011 entered into between the Investor (as buyer) and Perfect Honour (as seller) in relation to the RZ Group S&P
“RZ Group S&P Completion”	completion of the RZ Group S&P
“RZ Group Share(s)”	the ordinary share(s) of US\$1.00 each in the share capital of RZ Group
“RZ Group Shareholders’ Agreement”	the shareholders’ agreement to be entered into amongst RZ Group, Perfect Honour, the Investor, Yonghua, Legend Crown, Plenty Boom and Mr. Xie upon the Transaction Documents Completion to govern the rights and obligations of the shareholders of RZ Group
“RZ Group Shareholders’ Loan”	part of the loan in the sum of HK\$444 million due from RZ Group to Solomon Glory under the Existing RZ Group Loan Agreement

“RZ Group Subscription”	the subscription of 8,275,000 RZ Group Shares by the Investor as subscriber pursuant to the terms and conditions of the RZ Group Subscription Agreement
“RZ Group Subscription Agreement”	the conditional subscription agreement dated 24 August 2011 entered into between RZ Group (as issuer) and the Investor (as subscriber) in respect of the RZ Group Subscription
“RZ Group Subscription Completion”	completion of the RZ Group Subscription
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Solomon Glory”	Solomon Glory Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Total Investment Amount”	the aggregate of the RZ Group Investment Amount and the RZ Capital Investment Amount
“Trademark Licence”	the trademark licence agreements to be entered into between Mr. Xie and RZ Group, and between Mr. Xie and RZ Capital, in relation to the grant of the right to use certain trademarks owned by Mr. Xie to the RZ Group Companies and the RZ Capital Companies respectively
“Transaction Documents”	collectively the RZ Group S&P Agreement, the Xie’s S&P Agreement, the RZ Group Subscription Agreement and the RZ Capital Subscription Agreement
“Transaction Documents Completion”	the completion of the Transaction Documents in accordance with their respective terms and conditions
“US\$”	United States dollars, the lawful currency of United States of America
“Xie’s S&P”	the purchase of 685,000 RZ Group Shares from Yonghua by the Investor pursuant to the Xie’s S&P Agreement
“Xie’s S&P Agreement”	the conditional sale and purchase agreement dated 24 August 2011 entered into between Yonghua (as seller), the Investor (as buyer) and Mr. Xie (as Yonghua’s guarantor) in relation to the Xie’s S&P
“Xie’s S&P Completion”	completion of the Xie’s S&P

“Yonghua” Yong Hua International Limited, a company incorporated in the BVI with limited liability, and wholly-owned by Mr. Xie as at the date of this announcement

“%” 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:*

*US\$1:HK\$7.80*

*RMB1:HK\$1.19*

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

Hong Kong, 29 August 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 and Ms. Wong, Michelle Yatyee (all being executive Directors), Mr. Ma Ho Fai SBS JP, Mr. Melvin Jitsumi Shiraki and Mr. Cheng Yuk Wo (all being independent non-executive Directors).*