

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **GOLDBOND GROUP HOLDINGS LIMITED**

**金榜集團控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 172)**

### **CONNECTED TRANSACTION**

**Financial adviser**



#### **LOAN AGREEMENT**

On 17 March 2010, Solomon Glory, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with Rongzhong BVI, a 71% subsidiary of the Company, pursuant to which Solomon Glory had conditionally agreed to make available a revolving loan facility of up to HK\$900 million to Rongzhong BVI to repay all outstanding amounts owing by Rongzhong BVI to Perfect Honour under the First Loan Agreement and the Second Loan Agreement and as general working capital of the Rongzhong Group. As at the date of this announcement, the aggregate outstanding amount owing by Rongzhong BVI to Perfect Honour under the First Loan Agreement and the Second Loan Agreement is approximately HK\$548 million.

#### **GENERAL**

As Rongzhong BVI is currently owned as to 19.01% by Yong Hua, which is beneficially wholly-owned by Mr. Xie, an executive Director, Rongzhong BVI is a connected person of the Company under Rule 14A.11(5) of the Listing Rules. As such, the grant of the Loan Facility by Solomon Glory to Rongzhong BVI constitutes a connected transaction for the Company under Rule 14A.13(2)(a)(i) of the Listing Rules and is subject to the approval of the independent Shareholders at the EGM under Chapter 14A of the Listing Rules. Given that Mr. Xie is the sole beneficial owner of Yong Hua, which owns 19.01% interest in Rongzhong BVI and Mr. Xie and his associates are interested in 126,900,000 Shares as at the date of this announcement, Mr. Xie and his associates shall abstain from voting on the proposed resolution to approve the entering into of the Loan Agreement by Solomon Glory and the performance of the transactions contemplated thereunder at the EGM.

An independent board committee of the Company will be formed to advise the independent Shareholders in relation to the Loan Agreement and the transactions contemplated thereunder. Menlo Capital Limited has been appointed as the independent financial adviser to advise the independent board committee of the Company and the independent Shareholders in relation to the terms of the Loan Agreement and the transactions contemplated thereunder.

A circular containing, among others, (a) further information on the Loan Agreement; (b) the advice from the independent financial adviser to the independent board committee of the Company and the independent Shareholders in relation to the Loan Agreement and the transactions contemplated thereunder; (c) the recommendation from the independent board committee of the Company to the independent Shareholders in relation to the Loan Agreement and the transactions contemplated thereunder; and (d) a notice of the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

## **THE LOAN AGREEMENT**

### **Date**

17 March 2010

### **Parties**

Lender: Solomon Glory, a wholly-owned subsidiary of the Company

Borrower: Rongzhong BVI, a 71% subsidiary of the Company

### **Principal terms**

Amount: A revolving loan facility of up to HK\$900 million, provided that the aggregate sum of the outstanding amounts under the Loan Agreement and the Existing Indebtedness shall not exceed the maximum amount available under the Loan Facility for the time being.

Availability period: The period commencing on the date of fulfillment of the condition precedent to the grant of the Loan Facility and ending on the earlier of (i) the date falling 7 business days before the Repayment Date; or (ii) the date on which the Loan Facility is cancelled or terminated in accordance with the provisions of the Loan Agreement.

Prepayment: Rongzhong BVI may voluntarily prepay the whole or any part of the loan outstanding under the Loan Agreement (in an integral multiple of HK\$1,000,000 or such other amount as Solomon Glory may agree in writing), and any amounts prepaid may be reborrowed under the Loan Agreement.

- Repayment Date: Subject to an overriding right to demand full repayment of the outstanding amounts under the Loan Agreement by Solomon Glory at any time, all outstanding amounts under the Loan Agreement shall be repaid in full not later than the Repayment Date.
- Interest: 10% per annum and payable every three months from the date of drawing under the Loan Facility.
- Purpose: The entire proceeds of the Loan Facility shall be used to repay the Existing Indebtedness and as general working capital of the Rongzhong Group.
- Condition precedent: The grant of the Loan Facility is conditional upon the approval of the Shareholders (other than those who are required to abstain from voting under the Listing Rules) in respect of the grant of the Loan Facility by Solomon Glory to Rongzhong BVI under the Loan Agreement having been obtained and the performance of the transactions contemplated thereunder in accordance with all applicable law, rules and regulations.

The condition precedent cannot be waived by any party to the Loan Agreement. If the condition precedent is not fulfilled by 30 June 2010 (or such later date as Solomon Glory may agree in writing at its absolute discretion), the Loan Agreement will be terminated automatically and have no further force and effect and no party to the Loan Agreement shall have any liability under them save for any antecedent breach of any term thereof.

The terms of the Loan Agreement were arrived at after arms' length negotiations between Solomon Glory and Rongzhong BVI.

## **INFORMATION ON THE RONGZHONG GROUP**

Rongzhong BVI is an investment holding company incorporated in the British Virgin Islands with limited liability. As at the date of this announcement, Rongzhong BVI is owned as to 71%, 19.01%, 5% and 4.99% by Perfect Honour, Yong Hua, Legend Crown International Limited and Plenty Boom Investments Limited respectively. Mr Xie, an executive Director, is the sole beneficial owner of Yong Hua. Each of Legend Crown International Limited and Plenty Boom Investments Limited is owned jointly by the associates of two executive Directors, namely Mr. Wong Yu Lung, Charles and Ms. Wong, Michelle Yatyee.

The Rongzhong Group is principally engaged in the provision of bridge financing, loan guarantee, finance lease and investment management services in the PRC.

## **REASONS FOR ENTERING INTO OF THE LOAN AGREEMENT**

References are made to the circulars of the Company dated 8 June 2007 and 6 September 2007 respectively in relation to the First Loan Agreement and the Second Loan Agreement pursuant to which the Group has granted the loan facilities in an aggregate amount of HK\$560 million to Rongzhong BVI. As at the date of this announcement, the aggregate outstanding amount owing by Rongzhong BVI to Perfect Honour under the First Loan Agreement and the Second Loan Agreement is approximately HK\$548 million, of which approximately HK\$62 million is repayable on or before 24 June 2010 and approximately HK\$486 million is repayable on or before 27 September 2010.

The Group is principally engaged in the provision of financial services. As mentioned in the Group's annual report for the financial year ended 31 March 2009, the Directors will put priority to the growing bridge financing and finance lease services for which the market demands are also growing fast in the PRC. Leveraging on the Group's expertise and extensive network in the PRC, the Group, through the Rongzhong Group, is able to venture further into the small and medium enterprise loans and bridge financing market in the PRC with promising prospects.

The Directors consider that the grant of the Loan Facility will provide the Rongzhong Group with additional working capital necessary to maintain its existing operations and further tap into the small and medium enterprise loans and bridge financing market in the PRC so as to increase its participation in the prospective growth of lending and finance lease business in the PRC.

The advances of the Loan Facility will be financed by the Group's internal resources.

The Directors consider that the terms of the Loan Agreement and the grant of the Loan Facility are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **GENERAL**

As Rongzhong BVI is currently owned as to 19.01% by Yong Hua, which is beneficially wholly-owned by Mr. Xie, an executive Director, Rongzhong BVI is a connected person of the Company under Rule 14A.11(5) of the Listing Rules. As such, the grant of the Loan Facility by Solomon Glory to Rongzhong BVI constitutes a connected transaction for the Company under Rule 14A.13(2)(a)(i) of the Listing Rules and is subject to approval of the independent Shareholders at the EGM under Chapter 14A of the Listing Rules. Given that Mr. Xie is the sole beneficial owner of Yong Hua, which owns 19.01% interest in Rongzhong BVI and Mr. Xie and his associates are interested in 126,900,000 Shares as at the date of this announcement, Mr. Xie and his associates shall abstain from voting on the proposed resolution to approve the entering into of the Loan Agreement by Solomon Glory and the performance of the transactions contemplated thereunder at the EGM.

An independent board committee of the Company will be formed to advise the independent Shareholders in relation to the Loan Agreement and the transactions contemplated thereunder. Menlo Capital Limited has been appointed as the independent financial adviser to advise the independent board committee of the Company and the independent Shareholders in relation to the terms of the Loan Agreement and the transactions contemplated thereunder.

A circular containing, among others, (a) further information on the Loan Agreement; (b) the advice from the independent financial adviser to the independent board committee of the Company and independent Shareholders in relation to the Loan Agreement and the transactions contemplated thereunder; (c) the recommendation from the independent board committee of the Company to the independent Shareholders in relation to the Loan Agreement and the transactions contemplated thereunder; and (d) a notice of the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

## DEFINITIONS

The following words and phrases used in this announcement have the following meaning:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“business day”	a day (excluding Saturday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“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 Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the entering into of the Loan Agreement by Solomon Glory and the performance of the transactions contemplated thereunder
“Existing Indebtedness”	the aggregate outstanding amount owing by Rongzhong BVI to Perfect Honour under the First Loan Agreement and the Second Loan Agreement from time to time, which amounts to approximately HK\$548 million as at the date of this announcement
“First Loan Agreement”	the loan agreement dated 17 May 2007 made between Rongzhong BVI as borrower and Perfect Honour as lender in respect of a term loan facility of HK\$60 million granted by Perfect Honour to Rongzhong BVI
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the conditional loan agreement dated 17 March 2010 entered into between Solomon Glory as lender and Rongzhong BVI as borrower in respect of the Loan Facility
“Loan Facility”	a revolving loan facility of up to HK\$900 million proposed to be granted by Solomon Glory to Rongzhong BVI pursuant to the terms of the Loan Agreement
“Mr. Xie”	Mr. Xie Xiao Qing, an executive Director
“Perfect Honour”	Perfect Honour Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“PRC”	The People’s Republic of China
“Repayment Date”	the date falling thirty-six (36) months from the date of fulfillment of the condition precedent to the grant of the Loan Facility, unless otherwise extended by Solomon Glory at its absolute discretion
“Rongzhong BVI”	Rongzhong Group Limited, a company incorporated in the British Virgin Islands with limited liability, and a 71% subsidiary of the Company as at the date of this announcement
“Rongzhong Group”	Rongzhong BVI and its subsidiaries
“Second Loan Agreement”	the loan agreement dated 15 August 2007 made between Rongzhong BVI as borrower and Perfect Honour as lender in respect of a term loan facility of HK\$500 million granted by Perfect Honour to Rongzhong BVI
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Solomon Glory”	Solomon Glory Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yong Hua”	Yong Hua International Limited, a company incorporated in the British Virgin Islands with limited liability and beneficially wholly-owned by Mr. Xie

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

*As at the date of this announcement, the Board comprises Mr. Wang Jun, Mr. Wong Yu Lung, Charles, Mr. Ding Chung Keung, Vincent, Mr. Kee Wah Sze, Mr. Xie Xiao Qing and Ms. Wong, Michelle Yattee (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).*

By order of the Board  
**Goldbond Group Holdings Limited**  
**Wong Yu Lung, Charles**  
*Chief Executive Officer*

Hong Kong, 17 March 2010