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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)

PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES

CONNECTED TRANSACTION AND

RESUMPTION OF TRADING

On 20 July 2007, the Vendor and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has agreed to place, on a best efforts basis, up to 268,000,000 Placing Shares at the Placing Price of HK\$1.18 per Placing Share on behalf of the Vendor. As at the date of this announcement, the Placing Shares represent approximately 15.28% of the existing issued share capital of the Company and approximately 13.25% of the issued share capital of the Company as enlarged by the Subscription.

The Placing Shares will be placed to not less than six independent professional, institutional and/or individual investors. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the places of the Placing and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons and are not acting in concert with the Vendor or its associates.

Pursuant to the Placing, the Vendor and the Company have also entered into the Subscription Agreement under which the Vendor has conditionally agreed to subscribe for a maximum number of 268,000,000 Subscription Shares, the actual number of which shall be the same as the Placing Shares finally sold by the Vendor, at the Subscription Price. The maximum of 268,000,000 Subscription Shares to be issued pursuant to the Subscription represent approximately 13.25% of the issued share capital of the Company as enlarged by the Subscription.

The shareholding of the Vendor and parties acting in concert with it in the Company will be reduced from approximately 47.67% to approximately 32.39% upon completion of the Placing but before completion of the Subscription and will be increased from approximately 32.39% to approximately 41.35% upon completion of the Placing and the Subscription.

The Company will apply to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Subscription Shares. The Vendor will apply to the Executive for the waiver of its obligation to make a general offer under Rule 26 of the Takeovers Code as a result of the Subscription.

The Company intends to use the net proceeds from the Subscription for acquiring or incorporating additional pawn shops in the PRC and for general working capital purposes of the Group. At present, the Directors do not have any concrete plan or detailed timetable for the use of such net proceeds from the Subscription.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 19 July 2007 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 23 July 2007.

THE PLACING AGREEMENT

Date: 20 July 2007

Parties: (a) the Vendor; and
(b) the Placing Agent.

Number of Placing Shares to be placed

A maximum of 268,000,000 Placing Shares, representing approximately 15.28% of the existing issued share capital of the Company as at the date of this announcement and approximately 13.25% of the issued share capital as enlarged by the Subscription.

Placing Price

The Placing Price of HK\$1.18 per Placing Share represents (i) a discount of approximately 5.6% to the closing price of HK\$1.25 per Share as quoted on the Stock Exchange on 18 July 2007, the last trading day prior to the release of this announcement, and (ii) a discount of approximately 5.9% to the average closing price of HK\$1.254 per Share as quoted on the Stock Exchange for the last five trading days up to and including 18 July 2007. The Placing Agent will receive a placing commission of 2.5% on the gross proceeds of the Placing Shares in cash, which will amount to a total of approximately HK\$7.9 million on the basis that the Placing Shares have been placed in full and will be payable by the Company to the Placing Agent upon Completion of the Placing but before Completion of the Subscription.

The Placing Price was determined after arm's length negotiation between the Vendor and the Placing Agent and the Directors (including the independent non-executive Directors) consider that the Placing Price to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

The costs and expenses to be incurred in connection with the Placing and the Subscription are expected to be approximately HK\$9.3 million and will be borne solely by the Company. If the Placing is completed and all conditions to the Subscription have been fulfilled and the Vendor fails to proceed with the Subscription, the Vendor shall be responsible for all costs and expenses incurred in connection with the Placing.

Rights

The Placing Shares will be sold free of all liens, charges and encumbrances, and together with all rights attaching thereto as at the date of Completion, including the right to receive all dividends or other distributions declared, made or paid on or after the date of Completion.

Independence of the placees

The Placing Shares will be placed by the Placing Agent to not less than six independent professional, institutional and/or individual investors. It is not expected that any placee will become a substantial Shareholder of the Company as a result of the Placing.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the placees of the Placing and their respective beneficial owners are third parties independent of the Company and its connected persons and are not acting in concert with the Vendor or its associates.

Completion of the Placing

Completion is not subject to any condition and the parties expect that the Placing will be completed on Wednesday, 25 July 2007 or such later date as may be agreed by the Vendor and the Placing Agent in writing.

Listing Rules implications

Goldbond Securities Limited, the Placing Agent, is a wholly-owned subsidiary of Goldbond Capital Holdings Limited, which is owned as to 50% by Goldbond Capital Investment Holdings Limited, 20% by the Company and 30% by two other parties as at the date of this announcement. Goldbond Capital Investment Holdings Limited is indirectly owned as to 90% by Mr. Kee and 10% by Mr. Wong, both being Directors. As Goldbond Capital Holdings Limited is an associate of Mr. Kee, the Placing Agent is a connected person of the Company pursuant to the Listing Rules. As such, the Placing constitutes a connected transaction for the Company under the Listing Rules. As each of the applicable percentage ratios (other than the profits ratio) in respect of the Placing is less than 25% and the consideration payable to the Placing Agent is less than HK\$10 million, the Placing is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Directors consider that the Placing is conducted under normal commercial terms and in the usual and ordinary course of business of the Placing Agent.

THE SUBSCRIPTION AGREEMENT

Date: 20 July 2007

Parties: (a) the Vendor; and

(b) the Company.

Number of Subscription Shares

A maximum of 268,000,000 Subscription Shares, representing approximately 15.28% of the existing issued share capital of the Company as at the date of this announcement and approximately 13.25% of the issued share capital of the Company as enlarged by the Subscription, the actual number of which shall be the same as the Placing Shares finally sold by the Vendor.

Subscription Price

The Subscription Price per Subscription Share is equivalent to the Placing Price of HK\$1.18 per Placing Share. The Subscription Shares have a market value of HK\$335.0 million, based on the closing price of HK\$1.25 per Share on 18 July 2007, being the last trading day in the Shares on the Stock Exchange prior to the publication of this announcement. The net price of each of the Subscription Share is approximately HK\$1.15.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription are fair and reasonable under the current market condition and in the interest of the Company and the Shareholders as a whole.

General mandate to issue the Subscription Shares

The Subscription Shares will be issued under the general mandate granted by the Shareholders to the Directors pursuant to the resolution of the Shareholders passed in the general meeting of the Company held on 13 September 2006, which authorised the Directors to allot and issue a maximum of 332,488,000 Shares. The Company has not issued any Shares pursuant to such general mandate.

Ranking of the Subscription Shares

The Subscription Shares, when fully paid, will rank pari passu in all respects with the Shares in issue on the date of Completion including the right to any dividends or distributions after the date of Completion.

Conditions of the Subscription

The Subscription is conditional upon:

- (a) completion of the Placing having occurred pursuant to the terms of the Placing Agreement;
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and
- (c) the Executive granting to the Vendor and parties acting in concert with it a waiver of the obligation to make a mandatory general offer to the Shareholders in respect of the Shares not already owned or agreed to be acquired by the Vendor or any parties acting in concert with it as a result of the transactions contemplated by the Placing and the Subscription.

None of the conditions stated above can be waived. The Company and the Vendor shall use their respective best endeavours to procure the fulfilment of the conditions set out above.

In the event that all of the above conditions cannot be fulfilled on or prior to 2 August 2007 or such later date as may be agreed between the parties to the Subscription Agreement, the Subscription Agreement shall terminate and neither of the parties thereto will have any claim against the other for costs, damages or otherwise (save in respect of any breach of their respective undertakings to procure fulfilment of the conditions).

Completion of the Subscription

Completion will take place on the business day immediately after the date upon which the last of the above conditions have been satisfied provided that such date shall not be later than the date falling 14 days after the date of the Subscription Agreement or such later date as may be agreed by the Vendor and the Company in writing. If the conditions to the Subscription are not fulfilled by 2 August 2007 and the parties still decide to proceed to complete the Subscription on a later date, the Subscription would be subject to the approval by the independent Shareholders under the Listing Rules.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

EFFECT ON THE SHAREHOLDING

The shareholding in the Company (a) as at the date of this announcement; (b) immediately after Completion of the Placing but before the Subscription assuming no further Shares will be issued before the Subscription; and (c) immediately after Completion of the Placing and the Subscription assuming no further Shares will be issued before the Subscription are summarised as follows:

Shareholders	As at the date of this announcement		Immediately after Completion of the Placing but before the Subscription		Immediately after Completion of the Placing and the Subscription	
	No. of Shares	Approximate % of issued share capital of the Company	No. of Shares	Approximate % of issued share capital of the Company	No. of Shares	Approximate % of issued share capital of the Company
Allied Luck (<i>Note 1</i>)	497,232,000	28.35%	497,232,000	28.35%	497,232,000	24.59%
The Vendor (<i>Note 2</i>)	338,888,343	19.32%	70,888,343	4.04%	338,888,343	16.76%
Sub-total (<i>Allied Luck, the Vendor and parties acting in concert with them</i>)	836,120,343	47.67%	568,120,343	32.39%	836,120,343	41.35%
Directors	160,401,300	9.14%	160,401,300	9.14%	160,401,300	7.94%
Public Shareholders						
Existing Public Shareholders	757,518,357	43.19%	757,518,357	43.19%	757,518,357	37.46%
The places	—	0.00%	268,000,000	15.28%	268,000,000	13.25%
Total	1,754,040,000	100.00%	1,754,040,000	100.00%	2,022,040,000	100.00%

Notes:

- Allied Luck is owned as to 50% by Mr. Wong and as to 50% by Mrs. Wong.
- The Vendor is owned as to 11% by Mr. Wong and as to 89% by Mr. Kee.

The Company has not had any equity fund raising activity over the past 12 months.

Takeovers Code implications

As at the date of this announcement, Allied Luck and the Vendor are interested in approximately 28.35% and 19.32% of the issued share capital of the Company, respectively. Allied Luck is a party acting in concert with the Vendor.

After Completion of the Placing, the shareholding percentage of the Vendor and parties acting in concert with it will decrease from approximately 47.67% to approximately 32.39%. Immediately upon Completion of the Subscription, the shareholding of the Vendor and the parties acting in concert with it in the Company will increase from approximately 32.39% to approximately 41.35%. As a result of the Placing and the Subscription, pursuant to Rule 26 of the Takeovers Code, the Vendor and the parties acting in concert with it will be required to make a mandatory general offer for all of the Shares other than those already owned or agreed to be acquired by them. The Vendor and the parties acting in concert with it will make an application to the Executive for the waiver for its obligation, as a result of the transactions contemplated under the Subscription and the Placing, to make a general offer under Rule 26 of the Takeovers Code. The grant of such waiver is one of the conditions of the Subscription as set out under the heading “Conditions of the Subscription” above.

REASONS FOR THE PLACING AND THE SUBSCRIPTION

The Placing and the Subscription are being undertaken to supplement the Group’s funding of its expansion and growth plan. The Directors consider the Placing and the Subscription will provide an opportunity to raise further capital for the Group whilst broadening the Shareholder base and the capital base of the Company.

USE OF PROCEEDS OF THE SUBSCRIPTION

The Group is principally engaged in investment and provision of financial services and investment in property.

The gross proceeds from the Subscription amounted to HK\$316.2 million and after deducting the costs and expenses of approximately HK\$9.3 million, the net proceeds to be received by the Company will be approximately HK\$306.9 million.

The Directors consider that the Placing and the Subscription will strengthen the capital base of and the financial position of the Group, and enable the Group to capture any long-term investment opportunity. The Company intends to use the net proceeds from the Subscription for acquiring or incorporating additional pawn shops in the PRC and for general working capital purposes of the Group. At present, the Directors do not have any concrete plan or detailed timetable for the use of such net proceeds from the Subscription. The Company will make announcement in compliance with the requirements of the Listing Rules as and when suitable investment opportunities have been identified or binding contracts have been executed.

In view of the reasons above, the Directors are of the view that the terms of the Placing and the Subscription are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE PLACING AGENT

The Placing Agent is a wholly owned subsidiary of Goldbond Capital Holdings Limited. Goldbond Capital Holdings Limited and its subsidiaries carry on the business of investment banking and provide a full range of financial services for private and institutional clients, including investment and corporate advisory services and asset management.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 19 July 2007 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 23 July 2007.

DEFINITIONS

“acting in concert”	has the meaning defined in the Takeovers Code
“Allied Luck”	Allied Luck Trading Limited, a company incorporated in the British Virgin Islands, which is owned as to 50% by Mr. Wong, and as to 50% by Mrs. Wong
“associates”	has the meaning defined in the Listing Rules
“Company”	Goldbond Group Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Placing Agreement or the Subscription Agreement, as the case may be
“Director(s)”	directors of the Company
“Executive”	Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong and any of his delegate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Kee”	Mr. Kee Wah Sze, an executive Director
“Mr. Wong”	Mr. Wong Yu Lung, Charles, an executive Director
“Mrs. Wong”	Mrs. Wong Fang Pik Chun, spouse of Mr. Wong
“Placing”	placement of the Placing Shares to independent investors at the Placing Price
“Placing Agent”	Goldbond Securities Limited, a licensed corporation under the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
“Placing Agreement”	placing agreement dated 20 July 2007 between the Vendor and the Placing Agent in respect of the Placing
“Placing Price”	placing price of HK\$1.18 per Placing Share
“Placing Shares”	a maximum of 268,000,000 Placing Shares to be placed by the Placing Agent pursuant to the Placing Agreement

“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	subscription of the Subscription Shares by the Vendor
“Subscription Agreement”	subscription agreement dated 20 July 2007 between the Company and the Vendor in respect of the Subscription
“Subscription Price”	subscription price of HK\$1.18 per Subscription Share
“Subscription Shares”	a maximum of 268,000,000 new Shares to be subscribed by the Vendor pursuant to the Subscription Agreement, the actual number of which shall be the same as the number of Placing Shares finally sold by the Vendor
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor”	Ace Solomon Investments Limited, a company incorporated under the laws of the British Virgin Islands, which is owned as to 11% by Mr. Wong and as to 89% by Mr. Kee

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

Hong Kong, 20 July 2007

As at the date of this announcement, the board of Directors comprises Mr. Wang Jun, Mr. Wong Yu Lung, Charles, Mr. Ding Chung Keung, Vincent, Mr. Lan Ning, Mr. Kee Wah Sze, Mr. Xie Xiao Qing and Miss Wong, Michelle Yatyee (executive Directors), Mr. Ip Yin Wah, Mr. Ma Ho Fai SBS JP and Mr. Melvin Jitsumi Shiraki (independent non-executive Directors).

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.