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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)

MAJOR AND CONNECTED TRANSACTION AND RESUMPTION OF TRADING

THE DISPOSAL

On 3 July 2007, a conditional equity purchase agreement was entered into between Piper Jaffray Companies as the Buyer, GCIHL, Flourish, Armstrong and Hing Wong as the Sellers, and Mr. Wong Yu Lung, Charles, the Company, Mr. Ko and Mr. Wong Wai Sum as the Principals whereby the Buyer agreed to purchase from the Sellers all of the issued share capital of Goldbond Capital. Flourish is a wholly-owned subsidiary of the Company and holds 20% of the issued share capital of Goldbond Capital.

Given that the percentage ratios for the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules and therefore is subject to the approval of the Shareholders at an extraordinary general meeting under Rule 14.44 of the Listing Rules. In addition, the Disposal also constitutes a connected transaction for the Company under Rule 14A.13(1)(b)(i) of the Listing Rules. Since GCIHL is an associate of Mr. Kee, Mr. Kee and his associates will be required to abstain from voting in respect of the proposed resolution approving the Disposal.

GENERAL

The Company will also disclose the relevant details of the Disposal in the next published annual report and accounts of the Company in accordance with the relevant requirements set out in Rule 14A.45 of the Listing Rules.

An independent board committee of the Company will be formed to advise the Independent Shareholders in relation to the Disposal. 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 Disposal.

A circular containing, among others, further details of the Disposal and the respective advice of the independent financial adviser and the independent board committee of the Company in relation to the Disposal will be dispatched to the Shareholders as soon as practicable. An extraordinary general meeting will be convened as soon as practicable at which the resolution will be proposed to approve the Agreement and the transactions contemplated thereunder.

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 4 July 2007 at the request of the Company pending the issue of publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 9 July 2007.

EQUITY PURCHASE AGREEMENT DATED 3 JULY 2007

Parties:

- (1) Buyer: Piper Jaffray Companies, an Independent Third Party
- (2) Sellers:
 - (a) GCIHL
 - (b) Flourish, a wholly-owned subsidiary of the Company
 - (c) Armstrong
 - (d) Hing Wong
- (3) Principals:
 - (a) Mr. Wong Yu Lung, Charles, as the principal of GCIHL
 - (b) the Company, as the principal of Flourish
 - (c) Mr. Ko, as the principal of Armstrong
 - (d) Mr. Wong Wai Sum, as the principal of Hing Wong

Summary:

The Sellers have agreed to sell to the Buyer all of the issued share capital of Goldbond Capital for the Aggregate Purchase Price. As one of the Sellers, Flourish has agreed to sell its entire holding of 20% interest in the issued share capital of Goldbond Capital to the Buyer.

Purchase Price:

The Aggregate Purchase Price will be determined based upon a valuation for Goldbond Capital of US\$51.25 million, which amount is equal to two times the Unaudited Book Value less US\$1 million and is subject to adjustment prior to Closing. If the Audited Book Value is finally determined to be more or less than the Unaudited Book Value, the Company Valuation is to be revised for all purposes under the Agreement to be an amount equal to two times the Audited Book Value less US\$1 million.

At Closing the Buyer shall pay the Aggregate Purchase Price as follows:

- (a) the Buyer shall pay each Outside Seller an amount equal to such Outside Seller's Proportionate Interest times the Company Valuation, subject to the withholding of the Escrow Amount;
- (b) the Buyer shall pay Armstrong an amount equal to 60% of Armstrong's Proportionate Interest times the Company Valuation and shall issue to Armstrong a number of unregistered, restricted shares of Buyer Common Stock, having a value equal to 40% of Armstrong's Proportionate Interest times the Company Valuation.

Pursuant to the Agreement, there is no maximum amount for the Aggregate Purchase Price nor the Company's Proportionate Interests of the Aggregate Purchase Price. The Directors confirm that, in the event that any of the percentage ratios for the disposal of the Company's Proportionate Interest at Closing results in the transaction constituting a very substantial disposal for the Company, the Company will comply with all the relevant requirements of the Listing Rules.

Escrow:

The Buyer shall withhold from the Aggregate Purchase Price otherwise payable to the Outside Sellers an amount equal to 40% of the difference of (a) the Company Valuation less (b) the Audited Book Value ("**Escrow Amount**"). The Buyer shall pay the Escrow Amount to the Escrow Agent to hold and distribute pursuant to an escrow agreement. The Escrow Agent shall hold the Escrow Amount for a period of 24 months (subject to the resolution of any claims against the Escrow Fund then pending) pursuant to the escrow agreement; provided that, upon the earlier to occur of (1) the Buyer's receipt of the report of its outside auditors relating to the financial statements of the Company and its Subsidiaries for the year ending 31 December 2008 and (2) 30 April 2009, the Escrow Fund shall be reduced to an amount equal to US\$5 million plus the value of any claims against the Escrow Fund then pending, and any excess of the Escrow Fund over such amount shall be distributed to the Outside Sellers pursuant to the escrow agreement.

Conditions:

The Agreement is conditional on, amongst other things:

- (a) The Company Valuation having been finally determined.
- (b) All necessary approvals from the Shareholders having been obtained, including the approval to enter into and consummate the transactions contemplated by the Agreement.
- (c) All required consents, filings and notices having been obtained from or made to the Stock Exchange, the Securities and Futures Commission of Hong Kong and the Financial Services Authority of the United Kingdom (if required).
- (d) All required consents, filings and notices having been obtained from or made to the New York Stock Exchange and the National Association of Securities Dealers.
- (e) Since 31 March 2007, there shall not have occurred any condition, circumstance, event, or occurrence that, individually or in the aggregate, has resulted or would be reasonably likely to result in a Material Adverse Effect.
- (f) Each of the Employment Agreements shall be in full force and effect.
- (g) The entry by Wah Link Investments Limited, Golden Palms Development Limited and Goldbond Capital into a lease relating to the premises at Units 3901A, 3901B and 3902, 39th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong.

Conditions (a) to (g) are among the Buyer's closing conditions, any of which may be waived in writing by the Buyer. Conditions (a) to (c) are also among the Sellers' closing conditions, any of which may be waived in writing by the Sellers. As at the date of this announcement, the Employment Agreements have been entered into and condition (f) has been satisfied. The lease referred to in condition (g) is a lease in respect of the current premises of Goldbond Capital at Units 3901B and 3902, 39th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong and additional premises at Unit 3901A.

Guarantee and Satisfaction of Claims:

The Company, Mr. Wong Yu Lung, Charles and Mr. Wong Wai Sum are the guarantors of Flourish, GCIHL and Hing Wong, respectively. The guarantors guarantee the due and punctual payment, performance and discharge by such guarantor's respective guaranteed entity's obligations under the Agreement.

The Buyer Indemnitees may satisfy any claim for money damages as follows:

- (a) with respect to the Outside Sellers and their related Principals, first out of the Escrow Fund in accordance with the terms of the escrow agreement, and second from the Outside Sellers and their related Principals directly; and
- (b) with respect to Armstrong and Mr. Ko, by the forfeiture of a portion of the unvested restricted shares of Buyer Common Stock issued to Armstrong, with a value equal to the amount of damages owed by Armstrong or Mr. Ko.

Closing:

Closing is expected to occur no later than 2 Business Days following the date on which the last of the conditions precedent has been satisfied or waived or on such other date as the Buyer and the Sellers may mutually agree.

On Closing, all outstanding indebtedness, if any, under the HK\$40 million revolving facility granted by the Company to Goldbond Capital as announced in the announcement of the Company dated 26 January 2006, shall be repaid, and the said revolving facility shall be terminated.

INFORMATION ON THE COMPANY AND THE GROUP

The Group is principally engaged in property development and investment and provision of financial services in Hong Kong and the People's Republic of China.

INFORMATION ON THE BUYER

The Buyer is an international middle-market investment bank and institutional securities firm. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Buyer is a third party independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

INFORMATION ON GOLDBOND CAPITAL

The assets being disposed of pursuant to the Agreement are the Sale Shares. Goldbond Capital 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.

The unaudited consolidated net asset value of Goldbond Capital based on its unaudited financial statements for the financial year ended 31 March 2007, which have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, is HK\$203,429,000.

The consolidated profit before and after tax and extraordinary items attributable to the Group based on its audited and unaudited financial statements, which have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, for the financial years ended 31 December 2005 and 31 December 2006, respectively, are as follows:

	Financial Year ended	
	31 December	
	2006	2005
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Net profit/(loss) before tax and extraordinary items	5,231	1,036
Net profit/(loss) after tax and extraordinary items	4,310	739

BENEFITS OF TRANSACTION

The Directors (including the independent non-executive Directors who will further present their views after taking into consideration the letter from the independent financial adviser, Menlo Capital Limited, in the Circular (as defined below)) are of the view that the Disposal will have a positive impact on the earnings of the Group. The Disposal will also strengthen the Group's financial position to allow the Group to take on other business opportunities with the new capital received from the Disposal. As such, the Directors (including the independent non-executive Directors) believe that the terms of the transaction are fair and reasonable and in the interests of the Shareholders as a whole.

Flourish expects to book a gain of approximately HK\$44 million (subject to adjustments) on the sale of its portion of the Sale Shares, based on the sale price and the net book value of the Company's interest in Goldbond Capital as at 30 September 2006. The Group intends to apply the proceeds from the sale for use as additional working capital.

GENERAL

Given that the percentage ratios for the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules and therefore is subject to the approval of the Shareholders at an extraordinary general meeting under Rule 14.44 of the Listing Rules. In addition, the Disposal also constitutes a connected transaction for the Company under Rule 14A.13(1)(b)(i) of the Listing Rules. Since GCIHL is an associate of

Mr. Kee, Mr. Kee and his associates will be required to abstain from voting in respect of the proposed resolution approving the Disposal. Mr. Kee is an indirect shareholder of 90% of the issued share capital of GCIHL and Mr. Wong Yu Lung, Charles is an indirect shareholder of 10% of the issued share capital of GCIHL.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Armstrong, Mr. Ko, Hing Wong and Mr. Wong Wai Sum are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

Further, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, Mr. Wong Wai Sum, the ultimate beneficial owner of Hing Wong, and certain directors of Hing Wong, are directly or indirectly interested in the Company's Shares. Each of them who are Shareholders and who have a material interest in the Disposal and their respective associates have represented to the Company that they will abstain from voting in respect of the proposed resolution approving the Disposal at the extraordinary general meeting.

The Company will also disclose the relevant details of the Disposal in the next published annual report and accounts of the Company in accordance with the relevant requirements set out in Rule 14A.45 of the Listing Rules.

An independent board committee of the Company will be formed to advise the Independent Shareholders in relation to the Disposal. 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 Disposal.

A circular containing, among others, further details of the Disposal and the respective advice of the independent financial adviser and the independent board committee of the Company in relation to the Disposal (the "**Circular**") will be dispatched to the Shareholders as soon as practicable. An extraordinary general meeting will be convened as soon as practicable at which the resolution will be proposed to approve the Agreement and the transactions contemplated thereunder. At the extraordinary general meeting, voting on the Agreement and the transactions contemplated thereunder will be conducted by way of poll.

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Wednesday, 4 July 2007 at the request of the Company pending the issue and publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 9 July 2007.

The Agreement is conditional. The release of this announcement does not in any way indicate that the Agreement will be successfully completed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

DEFINITIONS

"Aggregate Purchase Price"	the aggregate purchase price to be paid by the Buyer to the Sellers for the Sale Shares
"Agreement"	the equity purchase agreement dated 3 July 2007 between the Buyer, the Sellers and the Principals for the sale and purchase of 100% of the issued share capital of Goldbond Capital

“Armstrong”	Armstrong Capital Limited
“Audited Book Value”	the consolidated net asset value of Goldbond Capital as at 31 March 2007 based on the consolidated balance sheet of Goldbond Capital and its Subsidiaries as at 31 March 2007 audited by KPMG of Hong Kong
“Business Day”	means any day other than a Saturday, Sunday, or a day that is a statutory or banking holiday under the laws of Hong Kong, the United States, or the State of Minnesota
“Buyer”	Piper Jaffray Companies
“Buyer Common Stock”	the common stock, par value US\$0.01 per share, of the Buyer
“Buyer Indemnitees”	the entities which the Sellers are obliged to indemnify under the Agreement, namely, the Buyer, Piper Jaffray & Co., a Delaware corporation and wholly owned subsidiary of the Buyer, and Goldbond Capital and its Subsidiaries
“Closing”	the closing of the transactions contemplated under the Agreement
“Company”	Goldbond Group Holdings Limited
“Company Valuation”	the valuation of Goldbond Capital of US\$51.25 million, subject to adjustments
“Directors”	the directors of the Company
“Disposal”	the sale of 100% of the issued share capital of Goldbond Capital by the Sellers to the Buyer pursuant to the terms and conditions of the Agreement
“Employment Agreements”	the employment agreements entered into between Goldbond Capital, the Buyer and certain key employees of Goldbond Capital
“Escrow Agent”	the Hong Kong office of a bank or trust company mutually acceptable to the Buyer and the Sellers
“Escrow Amount”	an amount equal to 40% of the difference of (a) the Company Valuation less (b) the Audited Book Value to be withheld by the Buyer from the Aggregate Purchase Price payable to the Outside Sellers
“Escrow Fund”	the Escrow Amount plus any income or dividends earned thereon
“Flourish”	Flourish Global Limited, a wholly-owned subsidiary of the Company

“GCIHL”	Goldbond Capital Investment Holdings Limited
“Goldbond Capital”	Goldbond Capital Holdings Limited
“Group”	the Company and its subsidiaries
“Hing Wong”	Hing Wong Finance Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Financial Reporting Standards”	the Hong Kong Financial Reporting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations used by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance
“Independent Shareholders”	the independent shareholders of the Company
“Independent Third Party”	a third party independent of the Company and connected persons of the Company
“KPMG”	auditors of Goldbond Capital
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Material Adverse Effect”	(1) any adverse effect on the consummation of the transactions contemplated by the Agreement or (2) a material adverse effect on the assets, business, financial condition, operations, or results of operations of Goldbond Capital and its Subsidiaries taken as a whole, other than (with respect to (2)) any change, effect, event, occurrence, circumstance or state of facts (i) relating to general economic, social or financial conditions, (ii) relating to the state of securities markets in general, (iii) reasonably attributable to the announcement of the Agreement and the transactions contemplated hereby, or (iv) relating to the securities industry in general, unless, in the case of clauses (i), (ii), or (iv), such change, effect, event, occurrence, circumstance or state of facts has a disproportionate impact on Goldbond Capital and its Subsidiaries compared to other companies in their industry
“Mr. Kee”	Mr. Kee Wah Sze, a Director
“Mr. Ko”	Mr. Ko Po Ming
“Outside Seller”	each Seller other than Armstrong
“Principals”	Mr. Wong Yu Lung, Charles, the Company, Mr. Ko and Mr. Wong Wai Sum

“Proportionate Interest” each Seller’s proportionate ownership interest in the Company as follows:

	Seller	% of ownership interest
(a)	GCIHL	50
(b)	Flourish	20
(c)	Armstrong	20
(d)	Hing Wong	10

“Sale Shares” 150,000,000 ordinary shares of HK\$1 each in the share capital of Goldbond Capital

“Sellers” GCIHL, Flourish, Armstrong and Hing Wong

“Shareholder(s)” holder(s) of the Shares

“Shares” ordinary share(s) of HK\$0.10 each in the share capital of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“Subsidiaries” the subsidiaries of Goldbond Capital

“Unaudited Book Value” Goldbond Capital’s unaudited consolidated net asset value as at 31 March 2007

“US\$” United States dollars, the lawful currency of the United States

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

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

Hong Kong, 6 July 2007