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## **GOLDBOND GROUP HOLDINGS LIMITED**

**金榜集團控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 172)**

### **DISCLOSEABLE AND CONNECTED TRANSACTION**

On 17 May 2007, Perfect Honour, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with Rongzhong BVI, a 51% subsidiary of the Company, pursuant to which Perfect Honour conditionally agreed to advance the Loan to Rongzhong BVI as the general working capital of the Rongzhong Group on the terms and subject to the conditions therein contained.

As at the date of this announcement, Rongzhong BVI is owned as to 51%, 39.01%, 5% and 4.99% by Perfect Honour, Yong Hua, Legend Crown and Plenty Boom respectively. As Rongzhong BVI is a non wholly-owned subsidiary and a connected person of the Company under Rule 14A.11(5) of the Listing Rules, the provision of the Loan by Perfect Honour to Rongzhong BVI constitutes a connected transaction 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.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, no Shareholder is required to abstain from voting on the proposed resolution approving the Loan Agreement and the transactions contemplated thereunder. The provision of the Loan by Perfect Honour to Rongzhong BVI also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

A circular containing, among other things, further details of the Loan Agreement, the respective advice or recommendation of the independent financial adviser and the independent board committee of the Company on the Loan Agreement and a notice convening the EGM will be despatched to the Shareholders as soon as practicable.

### **THE LOAN AGREEMENT**

#### **Date**

17 May 2007

#### **Parties**

- (1) Perfect Honour, a wholly-owned subsidiary of the Company
- (2) Rongzhong BVI, a 51% subsidiary of the Company

## **Principal terms of the Loan**

- (1) subject to the fulfilment of the conditions set out in the Loan Agreement, Perfect Honour will advance, and Rongzhong BVI may drawdown, the Loan;
- (2) subject to an overriding right to demand full repayment of the Loan by Perfect Honour at any time, Rongzhong BVI shall repay the Loan in full on the date falling 36 months from the date of drawdown of the Loan;
- (3) interest shall accrue on the Loan at the rate of 16% per annum and shall be payable every 3 months; and
- (4) the Loan shall be used as the general working capital of the Rongzhong Group.

The Loan will be financed by the Company's internal resources.

The Loan is unsecured and the interest rate charged by Perfect Honour under the Loan Agreement is determined with reference to the interest rates of less than 16% per annum presently charged under the banking facilities available to the Company.

The Loan Agreement was entered into after arm's length negotiation between Perfect Honour and Rongzhong BVI and the terms of the Loan Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **CONDITIONS**

The grant of the Loan is subject to, among others, the Company having obtained the approval of the Shareholders (other than those who are required to abstain from voting under the Listing Rules, if any) in respect of the grant of the Loan by Perfect Honour under the Loan Agreement and the performance of the transactions contemplated thereunder in accordance with all applicable law, rules and regulations.

If the conditions set out in the Loan Agreement are not fulfilled by the Long Stop Date, the Loan Agreement will be terminated automatically and have no further force and effect and no party shall have any liability under them save for any antecedent breach of any term thereof.

## **INFORMATION ON RONGZHONG GROUP**

Rongzhong BVI is an investment holding company incorporated in the British Virgin Islands with limited liability on 3 March 2004. As at the date of this announcement, Rongzhong BVI is owned as to 51%, 39.01%, 5% and 4.99% by Perfect Honour, Yong Hua, Legend Crown and Plenty Boom respectively. Yong Hua's sole beneficial owner, Mr Xie, is a Director. Each of Legend Crown and Plenty Boom is owned jointly by the associates of Mr. Wong Yu Lung, Charles and Miss Wong, Michelle Yatyee, both Directors.

The Rongzhong Group is principally engaged in the loan guarantee, pawn shop and credit cards businesses and has employed about 600 employees in the PRC.

## **REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT**

The Group is principally engaged in property development and investment and provision of financial services in Hong Kong and the PRC.

As mentioned in the Company's announcement dated 28 March 2007 and its annual report for the financial year ended 31 March 2006, the Directors believe that investment in its financial services business will be a long term strategic move for the Group. Leveraging on the Group's expertise and network in the PRC, the Group will further venture into the PRC consumer finance market with promising prospects. The Group currently operates two pawn shops in Hubei Province, the PRC. In addition, the Group is negotiating, among others, acquiring or incorporating three to five pawn shops in other cities in the PRC.

As it is the intention of the Directors to further develop and expand its financial services business, the Loan will allow the Rongzhong Group to further tap into the PRC consumer finance market and facilitate the operation of the Rongzhong Group and to increase its participation in the prospective growth of loan guarantee businesses and lending business in the PRC.

## **GENERAL**

As Rongzhong BVI is a non wholly-owned subsidiary and a connected person of the Company under Rule 14A.11(5) of the Listing Rules, the provision of the Loan by Perfect Honour to Rongzhong BVI constitutes a connected transaction 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.

To the best of the Directors knowledge, information and belief having made all reasonable enquires, no Shareholder is required to abstain from voting on the proposed resolution approving the Loan Agreement and the transactions contemplated thereunder. The provision of the Loan by Perfect Honour to Rongzhong BVI also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Directors (including the independent non-executive Directors who will further render their opinion upon the receipt of the advice of the independent financial adviser) consider that the terms of the Loan Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

A circular containing, among other things, further details of the Loan Agreement, the respective advice or recommendation of the independent financial adviser and the independent board committee of the Company on the Loan Agreement and a notice convening the EGM will be despatched to the Shareholders as soon as practicable.

Menlo Capital Limited has been appointed as the independent financial adviser to advise the independent board committee of the Company and the independent Shareholders on the terms of the Loan Agreement.

## **DEFINITIONS**

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

“associates”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Goldbond Group Holdings Limited, 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 Loan Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Legend Crown”	Legend Crown International Limited, a company incorporated in the British Virgin Islands with limited liability and owned by the associates of two Directors
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the non-revolving loan of up to HK\$60 million to be advanced by Perfect Honour to Rongzhong BVI pursuant to the terms of the Loan Agreement
“Loan Agreement”	the conditional loan agreement dated 17 May 2007 entered into between Perfect Honour as lender and Rongzhong BVI as borrower
“Mr. Xie”	Mr. Xie Xiao Qing, a Director
“Long Stop Date”	31 August 2007 or such other date as Perfect Honour and Rongzhong BVI may agree in writing
“Perfect Honour”	Perfect Honour Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Plenty Boom”	Plenty Boom Investments Limited, a company incorporated in the British Virgin Islands with limited liability and owned by the associates of two Directors
“PRC”	the People’s Republic of China
“Rongzhong BVI”	Rongzhong Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Rongzhong Group”	Rongzhong BVI and its subsidiaries
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“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 wholly-owned by Mr. Xie, a Director

“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. Lan Ning, Mr. Kee Wah Sze, Miss Wong, Michelle Yatyee and Mr. Xie Xiao Qing (executive Directors), Mr. Ip Yin Wah, Mr. Ma Ho Fai 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, 17 May 2007

“Please also refer to the published version of this announcement in The Standard”