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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)

ANNOUNCEMENT

TERMINATION OF A DISCLOSEABLE TRANSACTION

The Board announces that the Vendors informed Goodgrand that a report on the resource of the Mine is expected to be completed by the local research team by the end of 2007 as additional time is required to conduct the drilling program on the whole area of the Mine for approval of the Ministry of Land and Resources, thus, the technical expert report required by Goodgrand, being one of the conditions precedent to the Agreement, will not be able to be completed until the year of 2008. Having regard to such additional time required for the extensive research on the Mine, Goodgrand has terminated the Agreement on 28 December 2006 but has been granted an exclusive right for a period of 28 months from the date of termination to acquire the Mine from the Vendor at the same terms and conditions as the Agreement (except for necessary amendments to be made as required under such circumstances) at the consideration as agreed in the Agreement, i.e. RMB30 million.

Reference is made to the announcement of the Company dated 8 September 2006 (the "Announcement") in relation to the proposed acquisition of 100% interest in a company which owns an exploration right of a natural phosphorous mine located in Hubei Province, the PRC. Terms used in this announcement shall have the same meaning as defined in the Announcement unless the context otherwise provides.

The Board announces that the Vendors informed Goodgrand that a report on the resource of the Mine is expected to be completed by the local research team by the end of 2007 as additional time is required to conduct the drilling program on the whole area of the Mine for approval of the Ministry of Land and Resources, thus, the technical expert report required by Goodgrand, being one of the conditions precedent to the Agreement, will not be able to be completed until the year of 2008. Having regard to such additional time required for the extensive research on the Mine, Goodgrand and the Vendors entered into an agreement on 28 December 2006 to terminate the Agreement (the "Termination Agreement").

Pursuant to the Termination Agreement, the Vendors have, in consideration of HK\$10, warranted and undertaken the following for a period of 28 months from 28 December 2006:

- (i) unless with the prior written consent of Goodgrand, the Vendors will not sell, transfer, assign, charge all or any part of the equity interest of Zhiyue (the "Sale Interest") or cause or permit any encumbrance to be effected on all or any part of the Sale Interest; but

- (ii) at the request of Goodgrand, the Vendors will sell the Sale Interest to Goodgrand and/or its nominee(s) at the same terms and conditions as the Agreement (except for necessary amendments to be made as required under such circumstances) at the same consideration as agreed in the Agreement, i.e. RMB30 million; and
- (iii) the Vendors shall obtain Goodgrand's prior written approval if the Vendors intend to transfer the Sale Interest to any other company ("Another Vendors' Company") beneficially wholly owned by the Vendors or any one of the Vendors (the "Ultimate Beneficial Owner(s)") and shall procure the Ultimate Beneficial Owner(s) to enter into an agreement or deed, the form and content of which shall have been previously agreed by Goodgrand, to ensure that the Ultimate Beneficial Owner(s) must have effectively replaced the Vendors in observing and performing all the obligations, liabilities and provisions which are originally required to be observed and performed by the Vendors under the Termination Agreement and the Sale Interest referred to in the Agreement and the Termination Agreement were the entire equity interests of Another Vendors' Company.

The Company will make further announcement as and when required under the Listing Rules.

As at the date of this announcement, the Board comprised Mr. Wong Yu Lung, Charles, Mr. Lan Ning, Mr. Kee Wah Sze and Mr. Ding Chung Keung, Vincent (executive Directors), Mr. Ip Yin Wah, Mr. Ma Ho Fai 馬浩輝 and Mr. Melvin Jitsumi Shiraki (independent non-executive Directors).

By order of the Board
Goldbond Group Holdings Limited
Kelly Li
Company Secretary

Hong Kong, 28 December 2006

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