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GOLDBOND GROUP HOLDINGS LIMITED

(incorporated in Hong Kong with limited liability)

(Stock code: 172)

DISCLOSEABLE AND CONNECTED TRANSACTIONS

On 27 June 2005, Perfect Honour, a wholly owned subsidiary of the Company, entered into (i) the Loan Agreement with Rongzhong BVI, an associated company of the Company, pursuant to which Perfect Honour 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; and (ii) the Agreement with Mr. Xie pursuant to which Perfect Honour agreed to acquire and Mr. Xie agreed to sell the Sale Shares at the Consideration.

As at the date of this announcement, Rongzhong BVI is owned as to 40%, 35%, 20% and 5% by Perfect Honour, Mr. Xie, China Modern and Legend Crown respectively. China Modern and its ultimate beneficial owner are Independent Third Parties. Pursuant to the China Modern Agreement, China Modern has agreed to sell and Mr. Xie has agreed to purchase the entire interest of China Modern in Rongzhong BVI. Pursuant to the Subscription Agreement, consent for such sale is required from Legend Crown and Perfect Honour. Legend Crown has indicated its consent to such sale. Perfect Honour will grant such consent provided that Mr. Xie sells the Sale Shares to Perfect Honour at the Consideration. Mr. Xie agreed to do so on condition that Perfect Honour would advance the Loan to Rongzhong BVI. Accordingly, the China Modern Agreement, the Agreement and the Loan Agreement will complete simultaneously. Immediately after Completion, Rongzhong BVI will be owned as to 51%, 44% and 5% by Perfect Honour, Mr. Xie and Legend Crown respectively.

If the Agreement is not completed within 28 days after the date of the Loan Agreement (or such other date as the parties thereto may agree in writing), there will be no drawdown of the Loan and the Loan Agreement will be terminated and no party shall have any liability under them (save the liability in respect of any antecedent breach of the terms thereof).

Pursuant to the Subscription Agreement, Perfect Honour has advanced to Rongzhong BVI the Previous Loan of RMB42,000,000 (equivalent to approximately HK\$39,623,000) on 21 December 2004. Given that the Percentage Ratios for the aggregate amount of the Previous Loan and the Loan and the acquisition of the Sale Shares will exceed 5% but below 25%, the provision of the Loan and the acquisition of the Sale Shares constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

As Mr. Xie is a substantial shareholder currently holding 35% interest in Rongzhong BVI, the entering into of the Agreement by Perfect Honour also constitutes a connected transaction for the Company under Rule 14A.13(1)(b)(i) of the Listing Rules. Accordingly, the Agreement is subject to the approval of the Shareholders. As Rongzhong BVI will become a subsidiary and a connected person of the Company after completion of the Agreement, the provision of the Loan by Perfect Honour to Rongzhong BVI will also constitute a connected transaction under Rule 14A.13(2)(a)(i) of the Listing Rules and is subject to the approval of the Shareholders. Allied Luck Trading Limited and Ace Solomon Investments Limited, being parties acting in concert under The Code on Takeovers and Mergers and a closely allied group of Shareholders and which, currently hold 497,232,000 Shares and 338,888,343 Shares respectively, under Rule 14.45 of the Listing Rules are interested in approximately 50.3% of the issued share capital of the Company in aggregate as at the date of this announcement, have confirmed in writing that they have approved the Agreement, the Loan Agreement and the respective transactions contemplated thereunder. Since no Shareholder is required to abstain from voting on the resolution approving the Agreement, the Loan Agreement and the respective transactions contemplated thereunder, the Company is not required to convene a general meeting of the Shareholders to approve the Agreement, the Loan Agreement and the respective transactions contemplated thereunder pursuant to Rule 14A.43 of the Listing Rules.

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

THE LOAN AGREEMENT

Date

27 June 2005

Parties

- (1) Perfect Honour, a wholly owned subsidiary of the Company
- (2) Rongzhong BVI, an associated company of the Company

Terms of the Loan

- (1) simultaneously with or after completion of the Agreement, Perfect Honour will advance, and Rongzhong BVI may drawdown, the Loan of not more than HK\$17 million;
- (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 within 24 months from the date of the Loan Agreement;
- (3) interest shall accrue on the Loan at the rate of 2% above the Prime Rate and shall be payable half-yearly; and
- (4) the Loan shall be used as the general working capital of the Rongzhong Group.

The Loan will be financed mainly by the Company's existing banking facilities and, depending on the availability of the cash flow of the Company at the time of the drawdown of the Loan, its internal resources.

The interest rate charged by Perfect Honour under the Loan Agreement is higher than the interest rates presently charged under the banking facilities available to the Company.

If the Agreement is not completed within 28 days after the date of the Loan Agreement (or such other date as the parties thereto may agree in writing), there will be no drawdown of the Loan and the Loan Agreement will be terminated and no party shall have any liability under them (save the liability in respect of any antecedent breach of the terms thereof).

The Loan Agreement was entered into after arm's length negotiation between Perfect Honour and Rongzhong BVI and the interest rate charged thereunder is similar to the loans provided by the Group to its associated companies.

THE AGREEMENT

Date

27 June 2005

Parties

(1) Perfect Honour, a wholly owned subsidiary of the Company

(2) Mr. Xie

Asset to be acquired

Perfect Honour agreed to acquire and Mr. Xie agreed to sell the Sale Shares at the Consideration. The Sale Shares shall be sold by Mr. Xie to Perfect Honour free from all encumbrances.

Consideration

The Consideration of US\$11 (equivalent to approximately HK\$85.8) would be financed by the Company's internal resources and paid by Perfect Honour in cash on completion of the Agreement. The Sale Shares were acquired by Mr. Xie at a consideration of US\$11 (equivalent to approximately HK\$85.8) pursuant to the Subscription Agreement. The Consideration was arrived at after arm's length negotiation between the parties to the Agreement. As Rongzhong BVI recorded an unaudited net liability of approximately HK\$5,300,000 as at 31 March 2005, the consideration for the Sale Shares was agreed at US\$11 which represents the nominal value of the 11 shares of Rongzhong BVI to be sold by Mr. Xie to Perfect Honour.

Completion

Completion of the Agreement shall take place within 7 days after the signing thereof and simultaneously with completion of the China Modern Agreement and the Loan Agreement. If for any reasons any party(ies) to the Agreement is/are unable to complete the Agreement or if the Agreement, the China Modern Agreement and the Loan Agreement cannot be completed simultaneously within 7 days after the date of the Agreement, the non-defaulting party may (i) proceed to complete the Agreement; or (ii) extend completion thereof for 28 days after the date of the Agreement (or such other days as may agree by the parties to the Agreement); or (iii) rescind the Agreement. As at the date of this announcement, the parties to the Agreement have agreed to extend the date for completion of the Agreement to within 14 days after the signing of the Agreement (or such other date as the parties to the Agreement may agree).

Upon Completion, Perfect Honour, Mr. Xie, Legend Crown and Rongzhong BVI will enter into a shareholders' agreement pursuant to which Perfect Honour shall have the right to nominate three representatives to the Rongzhong Board, Mr. Xie shall have the right to nominate two representatives to the Rongzhong Board and Legend Crown shall have the right to nominate one representative to the Rongzhong Board. One of the three representatives nominated by Perfect Honour to the Rongzhong Board shall act as the chairman of such board and he/she shall be entitled to a casting vote.

Pursuant to the China Modern Agreement, China Modern has agreed to sell and Mr. Xie has agreed to purchase the entire interest of China Modern in Rongzhong BVI. Pursuant to the Subscription Agreement, consent for such sale is required from Legend Crown and Perfect Honour. Legend Crown has indicated its consent to such sale. Perfect Honour will grant such consent provided that Mr. Xie sells the Sale Shares to Perfect Honour at the Consideration. Mr. Xie agreed to sell the Sale Shares to Perfect Honour on condition that Perfect Honour would advance the Loan to Rongzhong BVI. Accordingly, the China Modern Agreement, the Agreement and the Loan Agreement will complete simultaneously.

INFORMATION ON RONGZHONG BVI

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 40%, 35%, 20% and 5% by Perfect Honour, Mr. Xie, China Modern and Legend Crown respectively. China Modern and its ultimate beneficial owner are Independent Third Parties. Legend Crown is owned jointly by associates of Mr. Wong Yu Lung, Charles, a Director, and one of the shareholders of Legend Crown currently holds 2,069,000 Shares, representing approximately 0.12% of the issued share capital of the Company. Immediately after Completion, Rongzhong BVI will be owned as to 51%, 44% and 5% by Perfect Honour, Mr. Xie and Legend Crown respectively.

Rongzhong BVI has established a wholly foreign owned enterprise in the name of 融眾企業管理(深圳)有限公司 (for identification purpose, in English, Rongzhong Enterprise Management (Shenzhen) Company Limited) (i.e. the Management Company) on 12 January 2005. The Management Company is principally engaged in the provision of management and investment consultancy services to loan guarantee businesses in the PRC. The loan guarantee business in general is the provision of guarantee to the lenders for the borrowers who require loan financing to make purchases.

According to the unaudited consolidated management accounts of Rongzhong BVI made for the period since its incorporation on 3 March 2004 up to 31 March 2005, Rongzhong BVI recorded an unaudited loss of approximately HK\$5,300,000 and a negative net asset value of approximately HK\$5,300,000.

REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT AND THE AGREEMENT

The Group is principally engaged in property development and investment and provision of financial services in Hong Kong and the PRC. As set out in the interim report of the Company for the six months ended 30 September 2004, in view of the recent growth in the economy of Hong Kong and the PRC, the Group takes every opportunity to expand its strategic business development in property and finance industries with proactive approach. Although Rongzhong BVI recorded an unaudited loss of HK\$5,300,000 as at 31 March 2005, the Directors are of the view that it would be normal for a new operating company to record a loss at the preliminary stage. Based on the unaudited consolidated management accounts of the Group and Rongzhong BVI as at 31 March 2005 and upon completion, both the total assets and the total liabilities of the Group will be increased by approximately HK\$18,747,000 and HK\$21,626,000 respectively while the net asset value and earnings of the Group will be decreased by approximately HK\$2,879,000.

With the establishment of the Management Company, the Directors consider that it is a good opportunity to increase its stake in Rongzhong BVI to enable the Group to increase its participation in the loan guarantee businesses in the PRC.

In light of the steady growth in the PRC economy and the size and the purchasing power of the population concerned in the PRC and the growth prospect of loan guarantee businesses in the PRC, the Directors consider that it is a good opportunity to increase its stake in Rongzhong BVI so that after Completion the accounts of the Rongzhong Group will be consolidated into the accounts of the Group. Pursuant to the terms of the Loan Agreement, Perfect Honour will advance the Loan to Rongzhong BVI on normal commercial terms. Accordingly, the Directors consider that the entering into the Loan Agreement and the Agreement as a whole can enable the Group to increase its participation in the prospective growth of loan guarantee businesses in the PRC. Therefore, the Directors including the independent non-executive Directors are of the view that the terms of the Loan Agreement and the Agreement are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

GENERAL

Pursuant to the Subscription Agreement, Perfect Honour has advanced to Rongzhong BVI the Previous Loan of RMB42,000,000 (equivalent to approximately HK\$39,623,000) on 21 December 2004. Given that the Percentage Ratios for the aggregate amount of the Previous Loan and the Loan and the acquisition of the Sale Shares will exceed 5% but below 25%, the provision of the Loan and the acquisition of the Sale Shares constitute discloseable transactions for the Company under the Listing Rules.

As Mr. Xie is a substantial shareholder currently holding 35% interest in Rongzhong BVI, the entering into of the Agreement by Perfect Honour also constitutes a connected transaction for the Company under Rule 14A.13(1)(b)(i) of the Listing Rules. Accordingly, the Agreement is subject to the approval of the Shareholders. As Rongzhong BVI will become a subsidiary and a connected person of the Company after completion of the Agreement, the provision of the Loan by Perfect Honour to Rongzhong BVI will also constitute a connected transaction under Rule 14A.13(2)(a)(i) of the Listing Rules and is subject to the approval of the Shareholders. A total of 497,232,000 Shares, representing approximately 29.91% of the issued share capital of the Company, are currently held by Allied Luck Trading Limited, which is owned by Mr. Wong Yu Lung, Charles, a Director, and his spouse in equal shares. Allied Luck Trading Limited and Ace Solomon Investments Limited (owned as to 89% by Mr. Kee Wah Sze, and as to 11% by Mr. Wong Yu Lung, Charles), being parties acting in concert under The Code on Takeovers and Merger and a closely allied group of Shareholders and which, currently hold 497,232,000 Shares and 338,888,343 Shares respectively, under Rule 14.45 of the Listing Rules, are interested in approximately 50.3% of the issued share capital of the Company in aggregate as at the date of this announcement, have confirmed in writing that they have approved the Agreement, the Loan Agreement and the respective transactions contemplated thereunder. Since no shareholder is required to abstain from voting on the resolution approving the Agreement, the Loan Agreement and the respective transactions contemplated thereunder, the Company is not required to convene a general meeting of the Shareholders to approve the Agreement, the Loan Agreement and the respective transactions contemplated thereunder pursuant to Rule 14A.43 of the Listing Rules.

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

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

DEFINITIONS

“Agreement”	the agreement dated 27 June 2005 entered into between Perfect Honour as purchaser and Mr. Xie as seller in relation to the sale and purchase of the Sale Shares
“associates”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“China Modern”	China Modern Limited, an Independent Third Party
“China Modern Agreement”	the agreement entered into between China Modern as seller and Mr. Xie as purchaser in respect of the sale and purchase of China Modern’s entire interest in Rongzhong BVI, representing 20% of the entire issued share capital of Rongzhong BVI
“Company”	Goldbond Group Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the China Modern Agreement, the Loan Agreement and the Agreement simultaneously
“Consideration”	US\$11, being the consideration for the Sale Shares
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a person(s) or company(ies), who/which and whose ultimate beneficial owner(s), to the best of the Director’s knowledge and information and having made all reasonable enquiries, is/are independent of and not connected with the Company, the directors, chief executive, substantial shareholders (as defined under the Listing Rules) of the Company and its subsidiaries or any of their respective associates
“Legend Crown”	Legend Crown International Limited, a company incorporated in the British Virgin Islands with limited liability and owned by the associates of a Director
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan of up to HK\$17 million to be advanced by Perfect Honour to Rongzhong BVI pursuant to the terms of the Loan Agreement
“Loan Agreement”	the loan agreement dated 27 June 2005 entered into between Perfect Honour as lender and Rongzhong BVI as borrower in respect of the Loan

“Management Company”	融眾企業管理(深圳)有限公司(for identification purpose, in English, Rongzhong Enterprise Management (Shenzhen) Company Limited), a wholly foreign owned enterprise established under the PRC laws and wholly owned by Rongzhong BVI
“Mr. Xie”	Mr. Xie Xiao Qing
“Percentage Ratios”	the percentage ratios under Rule 14.07 of the Listing Rules, other than the revenue ratio, profits ratio and equity capital ratio
“Perfect Honour”	Perfect Honour Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Previous Loan”	the shareholder’s loan of RMB42,000,000 (equivalent to approximately HK\$39,623,000) advanced by Perfect Honour to Rongzhong BVI pursuant to the terms of the Subscription Agreement
“PRC”	The People’s Republic of China
“Prime Rate”	the best lending rate offered by The Hongkong and Shanghai Banking Corporation Limited
“Rongzhong Board”	the board of directors of Rongzhong BVI
“Rongzhong BVI”	Rongzhong Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Rongzhong Group”	Rongzhong BVI, the Management Company and other associated companies and subsidiaries which Rongzhong BVI may establish in the future
“Sale Shares”	11 ordinary shares of US\$1.00 each beneficially owned by Mr. Xie at the date of this announcement, representing 11% of the entire issued share capital of 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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 1 November 2004 entered into between, inter alia, Perfect Honour, Mr. Xie, Legend Crown and Rongzhong BVI
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States Dollars, the lawful currency of the United States

Translation of US\$ into HK\$ is based on the exchange rate of US\$1 to HK\$7.80 and RMB into HK\$ is based on the exchange rate of RMB1.06 to HK\$1.00.

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

Hong Kong, 6 July, 2005

As at the date of this announcement, the executive Directors are Mr. Wong Yu Lung, Charles, Mr. Ko Po Ming, Mr. Lan Ning, Mr. Kee Wah Sze and Mr. Ding Chung Keung, Vincent; and the independent non-executive Directors are Mr. Ip Yin Wah, Mr. Ma Ho Fai and Mr. Melvin Jitsumi Shiraki.

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