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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 TRANSACTIONS

On 17 May 2005, Nanjing International entered into the Loan Agreement with the Lending Bank in relation to the grant of the Facility, a term loan facility of up to RMB148,977,000 (equivalent to approximately HK\$140,544,340). It is a condition precedent to the Lending Bank making the Facility available under the Loan Agreement that Nanjing International and the Company shall execute the Funding Agreement by way of security with the Lending Bank for the purpose of meeting the payment of any (i) Cost Overrun and (ii) certain Pre-Completion Expenses in relation to Phase I of the Nanjing Project. The Company undertakes with the Lending Bank and Nanjing International that, in the event that the Relevant Amount is less than the amount which ought to be repaid by Nanjing International to the Lending Bank under the Loan Agreement, the Company will forthwith purchase such number of residential units in the North Tower of Phase I of the Nanjing Project at RMB5,000 per square metre (such that the total purchase price shall cover 16.7% of the difference between the repayment amount and the Relevant Amount). In addition, the Company also undertakes with the Lending Bank and Nanjing International that, in the event that there arises any Cost Overrun and/or Pre-Completion Expenses or there happens any event of default, the Company shall, upon the Lending Bank's demand, purchase such number of residential units in the North Tower of Phase I of the Nanjing Project at RMB5,000 per square metre such that the total purchase price shall cover 16.7% of the Facility.

On 17 May 2005, Bateson, Wah Link (a non-wholly owned subsidiary of Wah Link Investments and thus a connected person of the Company), Sino Dynasty and Ace Intelligent entered into the Distribution Agreement in relation to the distribution of an arrangement fee in the sum of US\$675,000 (equivalent to approximately HK\$5,265,000) which is payable by Nanjing International to Ace Intelligent for Ace Intelligent's service in procuring the Facility from the Lending Bank.

Since the relevant figures for the entering into the Funding Agreement under the Percentage Ratios exceed 5%, the entering into the Funding Agreement constitutes a discloseable transaction for the Company under the Listing Rules. Since Nanjing International is a company in which both the Company and Wah Link, a connected person of the Company, are shareholders and Wah Link is entitled to control or exercise more than 10% of the voting power in its general meeting, the entering into the Funding Agreement and the provision of the several and proportional undertakings under the Funding Agreement by the Company constitutes a connected transaction of the Company which is exempted from reporting, announcement and independent shareholders' approval requirements under Rule 14A.65(3)(b)(i) of the Listing Rules. The entering into the Distribution Agreement constitutes a connected transaction of the Company which is exempt from the independent shareholders' approval requirements under Rule 14A.32(2) of the Listing Rules.

A circular containing, among others, further details of the Funding Agreement and the Distribution Agreement and transactions contemplated thereunder will be despatched to the shareholders of the Company as soon as practicable.

LOAN AGREEMENT

Parties:

The lender: the Lending Bank

The borrower: Nanjing International

On 17 May 2005, Nanjing International entered into the Loan Agreement with the Lending Bank in relation to the grant of the Facility, a term loan facility of up to RMB148,977,000 (equivalent to approximately HK\$140,544,340) for the construction of Phase I of the Nanjing Project. It is a condition precedent to the Lending Bank making the Facility available under the Loan Agreement that Nanjing International and the Company shall execute the Funding Agreement by way of security with the Lending Bank for the purpose of meeting the payment of any (i) Cost Overrun (as defined below) and (ii) certain Pre-Completion Expenses (as defined below) in relation to Phase I of the Nanjing Project.

The Facility has a maturity of 18 months from the date of the Loan Agreement and carries an annual interest rate equivalent to a 5% mark-up to the People's Bank of China base lending rate (中國人民銀行基準利率) and will be repayable once every three months commencing from the date of drawdown of the Facility. The principal amount of the Facility will be repayable as to RMB49,659,000 by the end of the 12th month from the date of the Loan Agreement, RMB49,659,000 by the end of the 15th month from the date of the Loan Agreement and RMB49,659,000 by the end of the 18th month from the date of the Loan Agreement.

FUNDING AGREEMENT

On 17 May 2005, the Company (as the covenantor to the Facility) entered into the Funding Agreement with Nanjing International (as the borrower of the Facility) and the Lending Bank (as the lender of the Facility), principal terms of which are as follows:

Funding undertakings

Pursuant to the Funding Agreement, the Company undertakes with the Lending Bank that it will be responsible for ensuring, meeting the provisions of the Funding Agreement, that 16.7% of funds required to meet any (i) construction cost overrun as verified by 監理公司 (independent professional auditors appointed by Nanjing International in the PRC) from time to time and as requested by the Lending Bank or any cost which exceeds the budgeted cost of Phase I of the Nanjing Project (“**Cost Overrun**”) and (ii) all outgoings and sums (other than construction costs) which are paid or incurred by Nanjing International prior to the date of the Loan Agreement cease to become effective or which (in the opinion of the Lending Bank) are payable or need to be incurred by Nanjing International in order to ensure completion of Phase I of the Nanjing Project and the conduct of all necessary filing procedure in respect of completion of Phase I of the Nanjing Project and shall include all loan servicing costs payable by Nanjing International (“**Pre-Completion Expenses**”) are made available to Nanjing International so that Nanjing International may be able to meet the same and so that Phase I of the Nanjing Project can be completed.

Buy-back undertakings

The Company also undertakes with the Lending Bank and Nanjing International that, in the event that the monies standing to the credit of Nanjing International's RMB charged account 10 Business Days prior to the next repayment date (the "**Relevant Amount**") is less than the amount which ought to be repaid by Nanjing International to the Lending Bank under the Loan Agreement, the Company will forthwith purchase such number of residential units in the North Tower of Phase I of the Nanjing Project at RMB5,000 per square metre (such that the total purchase price shall cover 16.7% of the difference between the repayment amount and the Relevant Amount) and to deposit such purchase monies in RMB into such account(s) designated by the Lending Bank no later than three Business Days prior to such next repayment date; or if so required by the Lending Bank, forthwith arrange a refinancing of the Facility on terms and conditions satisfactory to the Lending Bank to the effect that Nanjing International shall have sufficient monies to repay 16.7% of all outstanding sum in connection with the Facility within seven Business Days after the Lending Bank has made such request. Based on the Facility of up to RMB148,977,000 (equivalent to approximately HK\$140,544,340), the exposure to the Company under such buy-back undertakings is approximately RMB24,879,000 (equivalent to approximately HK\$23,471,000), which will be satisfied by the Group's internal resources.

The Company further undertakes with the Lending Bank and Nanjing International that, in the event that there arises any Cost Overrun and/or Pre-Completion Expenses or there happen any event of default, the Company shall, upon the Lending Bank's demand, purchase such number of residential units in the North Tower of Phase I of the Nanjing Project at RMB5,000 per square metre such that the total purchase price shall cover 16.7% of the Facility and to deposit such purchase monies in RMB into such account(s) designated by the Lending Bank within three Business Days from the date of the Lending Bank's demand; or if so required by the Lending Bank, forthwith arrange a refinancing of the Facility on terms and conditions satisfactory to the Lending Bank to the effect that Nanjing International shall have sufficient monies to repay 16.7% of all outstanding sum in connection with the Facility within seven Business Days after the Lending Bank has made such request.

If the Company neglects, fails or refuses to perform the abovementioned undertakings pursuant to the Funding Agreement, Nanjing International may, after obtaining prior written consent of the Lending Bank, borrow funds from another source. In the event that Nanjing International borrows such funds from the Lending Bank, the Company shall be deemed to have guaranteed repayment of all amounts which the Lending Bank advanced to Nanjing International in substitution for those amount the Company has covenanted to repay (but failed to pay) under funding undertakings, together with interest thereon. In additional, the Lending Bank may sue the Company for breach of undertaking. The Company and/or the Group are/is not party to the Second Funding Agreement (as defined below) and thus are/is not liable for breach of undertaking by Bateson and Wah Link Investments under the Second Funding Agreement (as defined below).

For information purpose, Bateson Investment Limited ("**Bateson**") and Wah Link Investments (as the covenantors to the Facility) also entered into a similar funding agreement (the "**Second Funding Agreement**") with Nanjing International (as the borrower of the Facility) and the Lending Bank (as the lender of the Facility) pursuant to which Bateson and Wah Link Investments jointly and severally undertake that:

1. Bateson and Wah Link Investments will be responsible for ensuring, meeting the provisions of the Funding Agreement, that 100% of funds required to meet any (i) Cost Overrun and (ii) Pre-Completion Expenses are made available to Nanjing International so that Nanjing International may be able to meet the same and so that Phase I of the Nanjing Project can be completed.

2. In the event that the monies standing to the Relevant Amount is less than the amount which ought to be repaid by Nanjing International to the Lending Bank under the Loan Agreement, Bateson and Wah Link Investments will forthwith purchase such number of residential units in the North Tower of Phase I of the Nanjing Project at RMB5,000 per square metre (such that the total purchase price shall cover 100% of the difference between the repayment amount and the Relevant Amount) and to deposit such purchase monies in RMB into such account(s) designated by the Lending Bank no later than three Business Days prior to such next repayment date; or if so required by the Lending Bank, forthwith arrange a refinancing of the Facility on terms and conditions satisfactory to the Lending Bank to the effect that Nanjing International shall have sufficient monies to repay 100% of the outstanding sum in connection with the Facility within seven Business Days after the Lending Bank has made such request.
3. In the event that there arises any Cost Overrun and/or Pre-Completion Expenses or there happens any event of default, Bateson and Wah Link Investments shall, upon the Lending Bank's demand, purchase such number of residential units in the North Tower of Phase I of the Nanjing Project at RMB5,000 per square metre such that the total purchase price shall cover 100% of the Facility and to deposit such purchase monies in RMB into such account(s) designated by the Lending Bank within three Business Days from the date of the Lending Bank's demand; or if so required by the Lending Bank, forthwith arrange a refinancing of the Facility on terms and conditions satisfactory to the Lending Bank to the effect that Nanjing International shall have sufficient monies to repay 100% of all outstanding sum in connection with the Facility within seven Business Days after the Lending Bank has made such request.

For the avoidance of doubt, the Lending Bank has the right to request the Company, Bateson and/or Wah Link Investments to fulfil their respective obligations under the Funding Agreement and the Second Funding Agreement to repay the Lending Bank an amount equivalent to 100% of such amount of the Facility under the events as mentioned above; but in any event, the Company is responsible for up to 16.7% of such sum. In addition, the Directors confirm that the Group will not be responsible for the respective funding of Bateson or Wah Link Investments.

DISTRIBUTION AGREEMENT

On 17 May 2005, the shareholders of Nanjing City Plaza, namely Bateson, Wah Link Real Estate Investments Limited (“**Wah Link**”) and Sino Dynasty, entered into the Distribution Agreement with Ace Intelligent Consultants Limited (“**Ace Intelligent**”), a company owned as to 50%, 25% and 25% by Bateson, Wah Link and Sino Dynasty respectively in relation to the distribution of an arrangement fee in the sum of US\$675,000 (equivalent to approximately HK\$5,265,000), which is determined after arm's length negotiation between the parties to the Distribution Agreement and is no less favourable than the market rate for the arrangement of similar loan facility, payable by Nanjing International to Ace Intelligent for Ace Intelligent's service in procuring the Facility from the Lending Bank. Pursuant to the Distribution Agreement, the parties agreed to distribute such sum received by Ace Intelligent as to 41.65%, 41.65% and 16.70% to Bateson, Wah Link and Sino Dynasty respectively.

The distribution of the arrangement fee to Sino Dynasty is based on its provision of undertaking under the Funding Agreement which is up to 16.7% of all outstanding sum in connection with the Facility. On the other hand, the distribution of the arrangement fee to Bateson and Wah Link is based on Bateson and Wah Link Investments' provisions of undertaking under the Second Funding Agreement, which is on a joint and several basis. As a result, the remaining 83.3% of the arrangement fee will be evenly distributed among Bateson and Wah Link.

ALLOCATION AGREEMENT

On 17 May 2005, Wah Link Investments, Bateson, Nanjing International and the Company entered into the Allocation Agreement in respect of allocation of the residential units to be purchased by Wah Link Investments, Bateson and the Company pursuant to the Second Funding Agreement and the Funding Agreement respectively. Pursuant to the Allocation Agreement, Nanjing International agrees that shall it request Wah Link Investments, Bateson and the Company to purchase such residential units pursuant to the Second Funding Agreement and the Funding Agreement, (1) it shall sell the relevant residential units to each of them at RMB5,000 per square metre; and (2) it shall allocate the available residential units for sale among them, or two of them as the case may be, by way of ballot to be conducted at the time of proposed sale in the event that it proposes to sell such residential units to more than one of them at the same time. Wah Link Investments and Bateson agree that the Company shall not be obliged to purchase any more residential unit if purchase of the same will result in it being responsible for more than 16.7% of all outstanding sum in relation to the Facility.

IMPLICATION OF THE LISTING RULES

The entering into the Funding Agreement constitutes financial assistance provided by the Company to Nanjing International. The maximum exposure of such financial assistance is 16.7% of the outstanding sum in connection with the Facility, which exceeds 8% of the relevant Percentage Ratios and therefore is subject to disclosure requirement pursuant to Rule 13.16 of the Listing Rules.

As at the date of this announcement, none of the Facility has been utilised by Nanjing International.

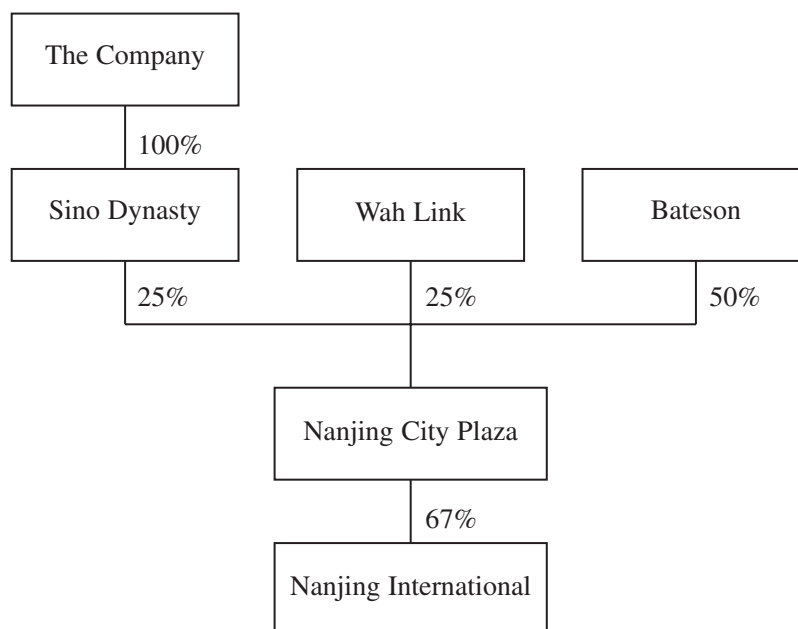
In addition, since the relevant figures for the entering into the Funding Agreement under the Percentage Ratios (other than the profits ratio) exceed 5%, the entering into the Funding Agreement constitutes a discloseable transaction of the Company under the Listing Rules. A circular containing, among others, further details of the Funding Agreement and the Distribution Agreement and transactions contemplated thereunder will be despatched to the shareholders of the Company as soon as practicable.

Since Nanjing International is a company in which both the Company and Wah Link, a connected person of the Company, are shareholders and Wah Link is entitled to control or exercise more than 10% of the voting power in its general meeting, the entering into the Funding Agreement and the provision of the abovementioned several and proportional undertakings under the Funding Agreement by the Company constitutes a connected transaction of the Company. However, since the entering into the Funding Agreement is a financial assistance provided by the Company which is on normal commercial terms (or better to the Company) but not in the ordinary and usual course of business of the Company and is in proportion to the Company's equity interest in Nanjing International, such connected transaction is exempted from reporting, announcement and independent shareholders' approval requirements under Rule 14A.65(3)(b)(i) of the Listing Rules.

Since Wah Link is a connected person of the Company, the entering into the Distribution Agreement constitutes a connected transaction of the Company but is exempt from independent shareholders' approval under Rule 14A.32(2) of the Listing Rules as it is on normal commercial terms and the applicable Percentage Ratio (other than the profits ratio) is more than 2.5% but less than 25% and the total consideration is less than HK\$10,000,000.

INFORMATION ON NANJING CITY PLAZA

The Company through its subsidiary, Sino Dynasty, is interested in 25% equity interest of Nanjing City Plaza, which owns approximately 67% equity interest in Nanjing International, which is mainly engaged in the development of the Nanjing Project, a commercial/residential property project in Nanjing, the PRC. Therefore, the effective equity interest of the Company in Nanjing International is approximately 16.7%. In summary, the shareholding of Nanjing City Plaza group of companies is as follows:



The Company through Sino Dynasty effectively owns approximately 16.7% shareholding in Nanjing International. Wah Link, a non-wholly owned subsidiary of Wah Link Investments, is beneficially owned as to 51% by a family member of Mr. Wong Yu Lung, Charles, a Director and Chief Executive Officer of the Company, and 49% by his spouse, Mrs. Wong Fang Pik Chun and thus an associate of Mr. Wong and a connected person of the Company. Bateson (formerly known as Y&W Holdings Limited) is an independent third party not connected with the directors, chief executive and substantial shareholders of the Company or Wah Link or any of their respective subsidiaries and/or their respective associates. In addition, shareholders of the remaining 33% interest in Nanjing International are independent third parties not connected with the directors, chief executive and substantial shareholders of the Company or Wah Link or Bateson or any of their respective subsidiaries and/or their respective associates.

The Nanjing Project is planned to be developed in two phases. Phase I of the Nanjing Project is under construction and is expected to be completed in 2006, which will comprise a shopping mall, serviced apartments, hotel and office premises, with a total gross floor area of approximately 227,000 square metres. Phase II is at planning stage with a total gross floor area of approximately 218,000 square metres.

REASONS FOR AND BENEFITS OF THE FUNDING AGREEMENT

The Group is principally engaged in, among others, property investment and investments in finance industries in Hong Kong and the PRC. As set out in the interim report of the Company for the six months ended 30 September 2004, the Group takes every opportunity to expand its strategic business developments in property and finance industries with proactive approach.

As mentioned in the Nanjing Circular, Phase I of the Nanjing Project is under construction and is expected to be completed in 2006 and Phase II of the Nanjing Project is at its planning stage. The Facility was obtained in facilitating the construction of Phase I of the Nanjing Project. As one of the shareholders of Nanjing City Plaza, the Company entered into the Funding Agreement (including the provisions of such funding undertakings and buy-back undertakings under the Funding Agreement) in order to provide security for the Facility up to the percentage of the Facility, which is equivalent to its proportional interest in Nanjing International, to facilitate the construction of Phase I of the Nanjing Project in which the Company has a 16.7% indirect interest. According to the research conducted by the Company, the prevailing market price of premium residential units of similar quality to those of the Nanjing Project in the nearby areas, on average, is more than RMB10,000 per square metre. In view of the above, the Directors believe that the unit price offered by Nanjing International is fair and reasonable and will be no less favourable than such unit price to be offered to independent third parties. In addition, as the Group can acquire residential units at discount to the prevailing market price under the Funding Agreement (in events of default mentioned above), which the Directors consider that such arrangement to be beneficial for the Group.

Based on the above, the Directors (including the independent non-executive Directors) consider that the entering into of the Funding Agreement, the Allocation Agreement and the Distribution Agreement were entered into on normal commercial terms (or better) and the terms thereof are fair and reasonable and in the interest of the Company and the shareholders of the Company as a whole.

GENERAL

A circular containing, among others, further details of the Funding Agreement and the Distribution Agreement and transactions contemplated thereunder will be despatched to the shareholders of the Company as soon as practicable.

DEFINITIONS

“Allocation Agreement”	the agreement entered into by Wah Link Investments, Bateson, Nanjing International and the Company dated 17 May 2005
“Business Day(s)”	day(s) on which licensed banks are open for business in Hong Kong (excluding Saturdays and Sundays)
“Company”	Goldbond Group Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	directors of the Company
“Distribution Agreement”	an agreement entered into by Bateson, Wah Link, Sino Dynasty and Ace Intelligent dated 17 May 2005 in relation to distribution of arrangement fee received by Ace Intelligent to each of Bateson, Wah Link and Sino Dynasty
“Facility”	the loan facility of up to RMB148,977,000 (equivalent to approximately HK\$140,544,340)
“Funding Agreement”	the funding agreement dated 17 May 2005 entered into between Nanjing International, the Lending Bank and the Company
“Group”	the Company and its subsidiaries

“Lending Bank”	the lending bank of the Loan Facility, which is an independent third party not connected with the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries and/or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated 17 May 2005 entered into between Nanjing International and the Lending Bank in relation to the grant of the Facility
“Nanjing Circular”	the circular of the Company dated 24 December 2003 in relation to the acquisition of a 25% equity interest in Nanjing City Plaza by the Group
“Nanjing City Plaza”	南京國際商城建設有限公司 (Nanjing City Plaza Construction Co. Ltd.), a wholly foreign owned enterprise established in accordance with the laws of the PRC
“Nanjing International”	南京國際集團股份有限公司 (Nanjing International Group Limited), a company owned as to approximately 67% by Nanjing City Plaza
“Nanjng Project”	南京國際廣場一期項目 and 南京國際廣場二期項目 (Nanjing International Center Phase I Project and Nanjing International Center Phase II Project)
“Percentage Ratios”	the percentage ratios under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China
“Sino Dynasty”	Sino Dynasty Investments Limited, a wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wah Link Investments”	Wah Link Investments Limited, a company incorporated in Hong Kong, which is beneficially owned as to 51% by a family member of Mr. Wong Yu Lung, Charles, a Director and Chief Executive Officer of the Company, and 49% by Mrs. Wong Fang Pik Chun, the spouse of Mr. Wong Yu Lung, Charles
“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 of America

Translation of United States dollars into Hong Kong dollars is based on the exchange rate of US\$1.00 to HK\$7.80 and translation of Renminbi into Hong Kong dollars is based on the exchange rate of HK\$1.00 to RMB1.06.

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

Hong Kong, 26 May 2005

As at the date of this announcement, the board of Directors comprised Mr. Wong Yu Lung, Charles, Mr. Lan Ning, Mr. Ko Po Ming, Ms. Loh Jiah Yee, Katherine, Mr. Kee Wah Sze (executive Directors), Mr. Ip Yin Wah, Mr. Ma Ho Fai, Mr. Melvin Jitsumi Shiraki and Mr. Zhang Xiao Shu (independent non-executive Directors).

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