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# **GOLDBOND GROUP HOLDINGS LIMITED**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 172)**

## **MAJOR AND CONNECTED TRANSACTIONS FURTHER EXTENSION ON LONG STOP DATE OF THE SUBSCRIPTION AGREEMENT AND THE OPTION AGREEMENT**

Reference is made to the Announcements and the Circular in relation to, among other things, the Subscription Agreement, the Option Agreement and the CN Subscription Agreement.

On 15 October 2004, the parties to the Subscription Agreement entered into a letter agreement to further extend the Long Stop Date from 18 October 2004 to 18 January 2005.

On 15 October 2004, the parties to the Option Agreement entered into a letter agreement to extend the fulfillment date of the conditions precedent for completion from on or before 18 October 2004 to on or before 18 January 2005.

Reference is made to the Company's announcements (the "Announcements") dated 1 April 2004 and 19 July 2004 and the Company's circular (the "Circular") dated 14 May 2004 in relation to, among other things, the Subscription Agreement, the Option Agreement and the CN Subscription Agreement.

Unless the context requires otherwise, terms used in this announcement shall have the same meanings as defined in the Circular.

### **THE SUBSCRIPTION AGREEMENT**

Pursuant to the Subscription Agreement, completion of which is conditional upon, among other things, the fulfilment or, as the case may be, waiver of the following conditions:

- (i) Mr. Xie and Ms. Cheng having subscribed for 3,274 and 3,000 new shares of Rongzhong BVI and the issue and allotment of such new shares to Mr. Xie and Ms. Cheng by Rongzhong BVI;
- (ii) the Management Company and Rongzhong BVI having entered into the Management Agreements with the Five Rongzhong Companies, Shanghai Rongzhong and Hangzhou Rongzhong;

- (iii) the provision of a PRC legal opinion by a PRC lawyer approved by Perfect Honour confirming, among other things, the legality and validity of the establishment of the Five Rongzhong Companies, Shanghai Rongzhong, Hangzhou Rongzhong and the Management Company, and the legality and validity of the entering into of the Management Agreements and other relevant agreements, and the legality and validity of the payment of the management fee to the Management Company by the Five Rongzhong Companies, Shanghai Rongzhong and Hangzhou Rongzhong;
- (iv) all necessary consents and approvals (or waivers) from any third parties, including but not limited to the Independent Shareholders' approval of the Subscription Agreement at the EGM, having been obtained for completion of the transactions contemplated under the Subscription Agreement;
- (v) all parties to the Subscription Agreement having agreed on the terms of the Shareholders' Agreement;
- (vi) the amendments to the articles of association of Rongzhong BVI reflecting the principal terms of the Shareholders' Agreement;
- (vii) Perfect Honour being reasonably satisfied with the results of the due diligence reviews (such as legal, financial and business due diligence reviews) on the Five Rongzhong Companies, Shanghai Rongzhong and Hangzhou Rongzhong;
- (viii) completion of the Reorganisation, including but not limited to, the establishment of the Management Company, Shanghai Rongzhong and Hangzhou Rongzhong, the entering into of the Shareholders' Agreement and the Management Agreements;
- (ix) Perfect Honour having obtained the Completion Accounts;
- (x) there is no material difference between the Completion Accounts and the Management Accounts;
- (xi) Perfect Honour having obtained the Management Accounts and list of properties owned and leased by the Five Rongzhong Companies within seven days after the date of the Subscription Agreement.
- (xii) Perfect Honour, Mr. Xie and Ms. Cheng having agreed to the contents of the disclosure letter in relation to the representations and warranties by Mr. Xie and Ms. Cheng under the Subscription Agreement and Perfect Honour having signed on such disclosure letter; and
- (xiii) the Company obtaining the Independent Shareholders' approval of the CN Subscription Agreement and the Option Agreement.

Other than conditions (iii), (vi) to (xi) and (xiii) above that can be waived by Perfect Honour, no other conditions above can be waived by any party.

As at the date of this announcement, the above condition (xiii) has been fulfilled. The Company is still in the process of obtaining detailed information from the Rongzhong Group and other parties, including but not limited to the Completion Accounts, Management Accounts and PRC legal opinion, and the completion of due diligence reviews. In view of the circumstances, the parties to the Subscription Agreement have on 15 October 2004 agreed to further extend the Long Stop Date from 18 October 2004 to 18 January 2005. Apart from the extension of the Long Stop Date as described above, the Company does not have any current intention to waive or amend any of the unfulfilled conditions.

## THE OPTION AGREEMENT

Pursuant to the Option Agreement, completion thereof is conditional upon fulfilment of the following conditions:

- (i) the approval of the Option Agreement by the Independent Shareholders at the EGM;
- (ii) the completion of the Subscription Agreement; and
- (iii) all necessary consents and approvals (or waivers) from any third parties, including but not limited to regulatory authorities, having been obtained for completion of the transactions contemplated under the Option Agreement.

The conditions above cannot be waived by any parties to the Option Agreement.

As at the date of this announcement, the above conditions (i) and (iii) have been fulfilled. As the completion of the Subscription Agreement has not been taken place, the parties to the Option Agreement therefore have on 15 October 2004 agreed to extend the fulfillment date from on or before 18 October 2004 to on or before 18 January 2005. Apart from the extension of the fulfillment date as described above, the Company does not have any current intention to waive or amend any of the unfulfilled conditions

Save as disclosed herein, all the terms and conditions of the Subscription Agreement and the Option Agreement remain in full force and effect. The Directors consider that the delay in the completion of the Subscription Agreement and the Option Agreement will not have any material adverse impact to the Group's business operations.

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

By order of the Board  
**Goldbond Group Holdings Limited**  
**Li Sang Edward**  
*Company Secretary*

Hong Kong, 18 October 2004

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