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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)

LETTER OF INTENT

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 18 October 2004, some of the parties to the Subscription Agreement and Poly entered into the Letter of Intent to establish the Sino-Foreign Company.

Reference is made to the Company's announcements dated 1 April 2004, 19 July 2004 and 18 October 2004 (the "Announcements") and the Company's circular dated 14 May 2004 (the "Circular") 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.

LETTER OF INTENT

Date

18 October 2004

Parties

1. Perfect Honour, a wholly owned subsidiary of the Company;
2. Mr. Xie;
3. Ms. Cheng; and
4. 保利南方集團有限公司 (for identification purpose, in English, Poly Nan Fong Group Company Limited) ("Poly"), is company established under the laws of the PRC (the "PRC Laws"). Poly and its ultimate beneficial owner is independent of and not connected with the directors, chief executive, substantial shareholders of the Company or any of its subsidiaries, and/or their respective associates.

Terms of the Letter of Intent

On 18 October 2004, some of the parties to the Subscription Agreement named above and Poly entered into a letter of intent (the “Letter of Intent”) to establish a Sino-foreign joint venture or joint co-operation company to be named as Guangzhou Rongzhong Management Company (the “Sino-Foreign Company”). The Letter of Intent is not legally binding other than covenants given by the parties therein relating to confidentiality, and the parties to the Letter of Intent agreed to use their best endeavours to enter into a formal legally binding but conditional agreement on or before 30 November 2004 (the “Formal Agreement”) and to complete the matters as set out in the Letter of Intent on or before 30 June 2005.

Pursuant to the Letter of Intent, Perfect Honour, Mr. Xie and Ms. Cheng intend to establish a company (the “HK Company”) with limited liability in Hong Kong to be named as Hong Kong Rongzhong Group Company Limited, which will be owned as to 50%, 45% and 5% by Perfect Honour, Mr. Xie (or his wholly owned company incorporated outside of the PRC) and Ms. Cheng (or her wholly owned company incorporated outside of the PRC) respectively. The HK Company and Poly will establish the Sino-Foreign Company, which will be owned as to 80% and 20% by the HK Company and Poly respectively. The Sino-Foreign Company will be principally engaged in the provision of loan guarantee services for individuals in the PRC and other businesses that the parties to the Letter of Intent may subsequently agree in writing from time to time.

Pursuant to the Letter of Intent, it is intended that the registered capital of the Sino-Foreign Company will be RMB62,000,000 and the amount of total investment will be RMB200,000,000. In addition, the board of directors of the Sino-Foreign Company will comprise of seven members, of which five will be nominated by the HK Company and two will be nominated by Poly. The board of directors of the HK Company will comprise of five members, of which three will be nominated by Perfect Honour and each of Mr. Xie and Ms. Cheng will be entitled to nominate one member.

Under the terms of the Letter of Intent, Mr. Xie undertakes to the Sino-Foreign Company to procure all shareholders of Mr. Xie’s Connected Companies (as defined below) to transfer all their respective equity interests in the Five Rongzhong Companies and other companies in the PRC that Mr. Xie either (i) acts as a general manager; (ii) acts as a director; (iii) acts as a legal representative; and/or (iv) holds more than 20% equity interest (collectively, “Mr. Xie’s Connected Companies”) to the Sino-Foreign Company at a consideration equivalent to the net asset value of each of Mr. Xie’s Connected Companies or a lower value permitted under the PRC Laws.

Upon execution of the Formal Agreement, the parties to the Subscription Agreement will enter into a termination agreement to terminate the Subscription Agreement and the letter agreements dated 15 July 2004 and 15 October 2004.

Further announcement will be made by the Company when the Formal Agreement is being entered into by parties to the Letter of Intent.

Save as disclosed herein, all the terms and conditions of the Subscription Agreement and the Option Agreement remain in full force and effect.

Investors/Shareholders should be reminded that the Formal Agreement may or may not be entered into between the parties to the Letter of Intent and are advised to exercise extreme caution in dealing in the securities of the Company.

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, 20 October 2004

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