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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: 00172)

DISCLOSEABLE TRANSACTION REVOLVING FACTORING FACILITY AGREEMENT

The Board wishes to announce that on 23 October 2017 after trading hours, Jiangsu Goldbond, an indirect wholly-owned subsidiary of the Company, entered into the Revolving Factoring Facility Agreement with Yigongcheng and the Guarantors whereby Jiangsu Goldbond agreed to provide recourse factoring services for a fixed term of two years commencing from 23 October 2017.

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Revolving Factoring Facility Agreement are above 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

The Board announces that on 23 October 2017 after trading hours, Jiangsu Goldbond, an indirect wholly-owned subsidiary of the Company, entered into the Revolving Factoring Facility Agreement with Yigongcheng and the Guarantors whereby Jiangsu Goldbond agreed to provide certain recourse factoring services. Set out below are the principal terms of the Revolving Factoring Facility Agreement:

THE REVOLVING FACTORING FACILITY AGREEMENT

Date : 23 October 2017

Parties : (i) Jiangsu Goldbond

(ii) Yigongcheng

(iii) Guarantors

Yigongcheng is principally engaged in the business of software development; information system integration services; information technology consulting services; import and export of goods and technology (list of goods import and export not included), but except for the operation approved by the government and the products and technology prohibited for import and export; wholesale of lamp and decorative items; wholesale of other mechanical equipment and electronic products; internet sales; design, production, agent and release of advertisement, wholesale of calculators, software and ancillary equipment; retail of calculators, software and ancillary equipment; retail of communications equipment; retail of other electronic products; wholesale of hardware products; wholesale of electrical equipment; wholesale of communications and broadcasting equipment; wholesale of building materials; other unspecified wholesale industry (excluding project which is subject for approval); retail of hardware; other unspecified retail industry (excluding project which is subject for approval); internet information services (excluding drug information service and internet cafe); other internet services (excluding project which is subject for approval); data-processing and storage services; business information consultation; credit services (excluding project which is subject for approval); other unspecified business services industry (excluding project which is subject for approval) and project management services; other unspecified professional and technical services industry (excluding project which is subject for approval); other technology promotion services; other unspecified technology promotion and application services industry.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Yigongcheng, the Guarantors and their ultimate beneficial owner(s) are third parties independent of the Company and its connected persons and are not connected persons of the Company.

- Factoring arrangement : Pursuant to the Revolving Factoring Facility Agreement and subject to fulfilment of certain conditions by Yigongcheng, (i) Jiangsu Goldbond will acquire from Yigongcheng and (ii) Yigongcheng will assign to Jiangsu Goldbond the Account Receivable(s) and Jiangsu Goldbond will prepay Yigongcheng before the relevant due date(s) of the Account Receivable(s) an amount equivalent to the face amount of the Account Receivable outstanding at the relevant time multiplied by an agreed prepayment ratio to which the Account Receivable(s) relates. Interest on the prepayment shall be charged at the rate of 12% per annum and shall be payable monthly by Yigongcheng to Jiangsu Goldbond. The prepayment under the Revolving Factoring Facility Agreement will be determined by Jiangsu Goldbond and Yigongcheng with reference to a revolving factoring facility in the maximum principal amount of RMB30 million (equivalent to approximately HK\$35.35 million). Should the debtor(s) fail to settle the Account Receivable(s) in full within 60 days after relevant due date(s) of Account Receivable(s), Jiangsu Goldbond has the right to request Yigongcheng to repurchase the Account Receivable(s) remained outstanding at the relevant time or settle all outstanding prepayment, interest and factoring handling fee owing to Jiangsu Goldbond under the Revolving Factoring Facility Agreement.
- Conditions to transfer of Account Receivable : Prior to the transfer of each Account Receivable and application by Yigongcheng for a prepayment, Yigongcheng is required to fulfil certain conditions including but not limited to the following:
- (a) the application made by Yigongcheng in respect of the recourse factoring services for each Account Receivable in such form as provided under the Revolving Factoring Facility Agreement;
 - (b) the acceptance by Yigongcheng of the confirmation letter issued by Jiangsu Goldbond in respect of the acquisition of the Account Receivable with relevant terms stated therein;
 - (c) in the opinion of Jiangsu Goldbond, there is no material adverse change to the business operation and financial position of Yigongcheng;
 - (d) the provision of the relevant commercial documents by Yigongcheng including but not limited to the relevant sales contracts.

Prepayment ratio	:	An agreed percentage no more than 75% of the face amount of each Account Receivable to be determined on a case-by-case basis which will be used for the determination of the amount of prepayment in respect of each Account Receivable to be assigned to Jiangsu Goldbond by Yigongcheng.
Term of the factoring arrangement	:	Fixed term of two years commencing from 23 October 2017. The relevant due date(s) of Account Receivable(s) to be assigned by Yigongcheng to Jiangsu Goldbond should be at least more than 60 days prior to the expiry of the term of the factoring arrangement.
Guarantee by the Guarantors	:	The Guarantors agreed to guarantee the obligations and liabilities of Yigongcheng under the Revolving Factoring Facility Agreement.

CONDITIONS PRECEDENT TO THE REVOLVING FACTORING FACILITY AGREEMENT

The Revolving Factoring Facility Agreement is conditional upon the fulfillment of, inter alia, the following conditions:

- (a) the entering into of the Revolving Factoring Facility Agreement and the transactions contemplated thereunder do not constitute a major transaction, a very substantial disposal or a very substantial acquisition of the Company under the Listing Rules;
- (b) Yigongcheng having provided Jiangsu Goldbond with a copy of resolutions of its board or relevant decision-making body of Yigongcheng approving the Revolving Factoring Facility Agreement and the transactions contemplated thereunder

The above conditions must be fulfilled and are incapable of being waived. If any condition precedent cannot be fulfilled by 31 December 2017 or such later date as may be agreed between the parties, the Revolving Factoring Facility Agreement will lapse automatically and in which event all rights and obligations of the parties under the Revolving Factoring Facility Agreement shall determine and no party shall have any claim against the other parties.

REASONS AND BENEFITS OF THE TRANSACTION

The Group is principally engaged in the provision of financing services targeting small and medium size enterprise in Hong Kong and the PRC and holding of interests in a joint venture and associates. Jiangsu Goldbond is a limited liability company established in the PRC mainly engaged in the business of provision of factoring services to its customers. The terms of the Revolving Factoring Facility Agreement were agreed among Jiangsu Goldbond, Yigongcheng and the Guarantors after arm's length negotiations.

The Directors consider that the entering into of the Revolving Factoring Facility Agreement is in the ordinary and usual course of business of Jiangsu Goldbond and that will generate revenue and cashflow stream from the interest received. The provision of prepayments to Yigongcheng under the Revolving Factoring Facility Agreement will be financed by internal resources of the Group. The Board is of the view that the Revolving Factoring Facility Agreement is entered into upon normal commercial terms and that the terms of the Revolving Factoring Facility Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Revolving Factoring Facility Agreement are above exceeds 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Account Receivable(s)”	the account receivable(s) to be assigned by Yigongcheng to Jiangsu Goldbond pursuant to the arrangement set out in the Revolving Factoring Facility Agreement
“Board”	the board of Directors
“Company”	Goldbond Group Holdings Limited (stock code: 00172), a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantors”	(1) Chen Jinglu* 陳京鷺, who holds 38.5% interest of Yigongcheng; and (2) Wang Changyong* 王長勇, who holds 8% interest of Yigongcheng
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jiangsu Goldbond”	Jiangsu Goldbond Factoring Co. Ltd.* 江蘇金榜商業保理有限公司, a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which shall, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Revolving Factoring Facility Agreement”	the agreement entered into between Jiangsu Goldbond, Yigongcheng and the Guarantors relating to the provision of factoring services dated 23 October 2017

“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transactions contemplated under the Revolving Factoring Facility Agreement
“Yigongcheng”	Xiamen Yigongcheng Information Technology Co. Ltd* 廈門易功成 信息技術有限公司, a company established in the PRC with limited liability

* *English translated name is for identification purpose only*

Unless otherwise defined, for the purpose of this announcement and for the purpose of illustration only, HK\$ amounts have been translated using the following rates:

RMB1: HK\$1.1783

Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.

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

Hong Kong, 23 October 2017

As at the date of this announcement, the Board comprises Mr. Wang Jun, Mr. Wong Yu Lung, Charles, Mr. Ding Chung Keung and Ms. Wong, Michelle Yatyee (all being executive Directors), Mr. Ma Ho Fai ^{GBS JP}, Mr. Cheng Yuk Wo and Mr. Ng Chi Keung ^{MH} (all being independent non-executive Directors).