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GOLD-FACE HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 396)

DISCLOSEABLE TRANSACTIONS IN RESPECT OF DISPOSAL OF GOLD-FACE FINANCE LIMITED AND DISPOSAL OF THE PROPERTY

Disposal of Gold-Face Finance

The Company announces that Gold-Face Finance, Gold-Face Investment, Gold-Face Enterprises and Chun Po have entered into the Restructuring Agreement with Upbest Finance on 21 January 2005 (as varied and supplemented by the supplemental agreement dated 8 March 2005) in relation to (i) the disposal of Gold-Face Finance, a wholly-owned subsidiary of the Company, at HK\$4.00; and (ii) the subscription of 28,000,000 new shares in Gold-Face Finance by Upbest Finance at HK\$28,000,000.

The Restructuring Agreement is conditional upon, amongst others, the Scheme being effective.

Gold-Face Finance was granted the leave to convene a meeting of creditors to consider and approve the Scheme on 10 March 2005. As a result, the hearing of the winding-up petition in HCCW 870 of 2004 was adjourned to 17 May 2005.

The disposal of Gold-Face Finance constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Disposal of the Property

The Company further announces that Wonder Fit has entered into the Sale and Purchase Agreement with the Purchaser for the disposal of the Property at HK\$100,300,000. The disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

A circular containing details of the Restructuring Agreement and the Sale and Purchase Agreement will be despatched to the Shareholders as soon as practicable.

At the request of the Company, trading in the Company's shares was suspended from 9:30 a.m. on 19 May 2003 and will remain suspended until further notice.

A. DISPOSAL OF GOLD-FACE FINANCE

THE RESTRUCTURING AGREEMENT

Date:

21 January 2005 (as varied and supplemented by a supplemental agreement dated 8 March 2005)

Parties:

Purchaser/Subscriber: Upbest Finance

To the best of the Directors' knowledge and belief, having made all reasonable enquiry, Upbest Finance and its ultimate beneficial owners are parties independent of and not connected with the directors, chief executive or substantial shareholders of the Company, its subsidiaries and their respective associates (as defined in the Listing Rules).

Vendors: Gold-Face Investment, Gold-Face Enterprises and Chun Po

Issuer: Gold-Face Finance

Subject Matters:

Subject to the fulfillment and/or waiver (as the case may be) of the conditions precedent as set out in the Restructuring Agreement:-

- (i) the Vendors agreed to transfer, and Upbest Finance agreed to acquire, the entire issued share capital of Gold-Face Finance at HK\$4.00; and
- (ii) Upbest Finance agreed to subscribe, and Gold-Face Finance agreed to issue and allot to Upbest Finance, 28,000,000 new Shares at HK\$28,000,000.

In considering the restructuring proposal, the Board has taken into account the prevailing economic and market conditions and in view of the financial position of Gold-Face Finance, a major restructuring of Gold-Face Finance is necessary if a winding up of Gold-Face Finance is to be avoided. The consideration was arrived at after arm's length negotiations between the parties. The total consideration will be satisfied by way of cash payment.

The Company will cease to have any interest in Gold-Face Finance after the disposal.

Conditions Precedent

Completion of the Restructuring Agreement will be conditional upon, amongst other things, the following conditions:

- (i) the granting of an approval of the Scheme by a majority representing three-fourths in value of the creditors of Gold-Face Finance;
- (ii) the granting of an order by the court sanctioning the Scheme;
- (iii) the dismissal or withdrawal of all outstanding litigation and winding-up petitions against Gold-Face Finance; and
- (iv) Gold-Face Finance having satisfied all requirements of the Stock Exchange regarding the transactions contemplated under the Restructuring Agreement and the Scheme (if applicable).

In the event that the conditions are not fulfilled or waived (other than condition (iv)) by Upbest Finance (as the case may be) on or before 30 April 2005, the Restructuring Agreement (or such other date as may be agreed) will terminate with immediate effect and none of the parties will have any claim against the other for compensation.

THE SCHEME

Two judgments were entered against Gold-Face Finance on 9 June 2004 in favour of a creditor claiming the repayment of HK\$50,644,791 and HK\$21,402,800 together with interest and legal costs. Subsequently, Gold-Face Finance received statutory demands from the said creditor demanding repayment. On 6 August 2004, Gold-Face Finance was served with a winding-up petition in the High Court of Hong Kong taken out by that creditor in HCCW 870 of 2004 in respect of the said claims.

Gold-Face Finance was granted the leave to convene a meeting of creditors to consider and approve the Scheme on 10 March 2005. As a result, the hearing of the winding-up petition in HCCW 870 of 2004 was adjourned to 17 May 2005.

In board terms, the Scheme would, if implemented, result in the full discharge of the debts owed to the creditors and the creditors will be barred from taking any actions against Gold-Face Finance in respect of the debts. Once the Scheme becomes effective, it will bind Gold-Face Finance and all the creditors irrespective of whether they voted for or against the Scheme. Gold-Face Investment and Gold-Face Enterprises are unsecured creditors of Gold-Face Finance.

INFORMATION ON GOLD-FACE FINANCE

Gold-Face Finance was incorporated in Hong Kong on 10 October 1991.

Gold-Face Finance is one of the major subsidiaries of the Company principally engaged in the provision of personal loans and second mortgage

loans. However, Gold-Face Finance has been operating at a loss since 1999 and the majority of Gold-Face Finance's assets are loans receivable and most of them are non-performing. Taking into account the deficit position of approximately HK\$260 million of Gold-Face Finance as at 15 March 2005, the Company recorded (on a consolidated basis) a loss of HK\$1 million from the disposal of Gold-Face Finance.

REASON FOR ENTERING INTO THE RESTRUCTURING AGREEMENT

Gold-Face Finance has been operating at a loss since 1999. For the year ended 31 March 2003, Gold-Face Finance recorded a loss of approximately HK\$202 million. As at 31 March 2003, the net liabilities of Gold-Face Finance were approximately HK\$220 million. In view of the financial position of Gold-Face Finance, the Board is of the view that it would be in the interests of the Company to dispose of Gold-Face Finance. It is estimated that Gold-Face Investment and Gold-Face Enterprises, which are two wholly-owned subsidiaries of the Company, as the unsecured creditors of Gold-Face Finance of approximately HK\$253 million, will participate in the Scheme and receive approximately HK\$17 million under the Scheme.

The subscription of shares in Gold-Face Finance by Upbest Finance, as part of the restructuring proposal will provide Gold-Face Finance with the necessary working capital and financial resources to revitalise its business operations and to compromise and discharge its indebtedness. The Scheme, if implemented, would enable Gold-Face Finance to be in a net tangible asset position of HK\$ 28 million compared with its deficit position of approximately HK\$260 million as at 15 March 2005.

The Board considers that the Restructuring Agreement is on normal commercial terms and that such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

B. DISPOSAL OF THE PROPERTY

THE SALE AND PURCHASE AGREEMENT

Date

9 March 2005

Parties

Vendor: Wonder Fit; and

Purchaser: The Purchaser.

To the best of the Directors' knowledge and belief, having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are parties independent of and not connected with the directors, chief executive or substantial shareholders of the Company, its subsidiaries and their respective associates (as defined in the Listing Rules).

Subject matter of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, Wonder Fit agreed to sell and the Purchaser agreed to purchase the Property.

Consideration

The consideration of HK\$100,300,000 shall be paid by the Purchaser to Wonder Fit in cash in the following manner:

- (a) HK\$1,000,000, representing approximately 1% of the purchase price, has been paid by the Purchaser upon signing of the Sale and Purchase Agreement as an initial deposit;
- (b) HK\$9,030,000, representing approximately 9% of the purchase price, will be paid by the Purchaser upon signing of the formal sale and purchase agreement as a further deposit; and
- (c) HK\$90,270,000, representing the balance of the purchase price, will be paid by the Purchaser upon completion.

The purchase price of HK\$100,300,000 is arrived at after arm's length negotiations between Wonder Fit and the Purchaser with reference to recent open market price of similar properties quoted by the estate agents. The Board considers that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Completion

Completion will take place on or before 9 April 2005.

VALUE OF THE PROPERTY

The Property is vacant and its value as shown in the Company's latest audited accounts for the financial year ended 31 March 2003 is HK\$129,418,781. The Company recorded a loss of HK\$29,118,781 from the disposal.

INFORMATION OF THE PURCHASER

Capital Chance Limited is a company incorporated in Hong Kong with limited liabilities.

REASONS FOR ENTERING INTO THE SALE AND PURCHASE AGREEMENT

Wonder Fit was in a consolidated net liability position of approximately HK\$16 million as at 31 March 2003. The Group has been operating at a loss for each of 2003 and 2004. For the year ended 31 March 2004, Wonder Fit and its subsidiary recorded a consolidated loss of approximately HK\$84 million. In view of the financial position of Group, the Board is of the view that it would be in the interests of the Company to dispose of the Property. The proceeds from the disposal will provide the Company with financial resources to revitalise its business operations.

GENERAL

The Company is principally involved in property development and investment, operation of a power plant and money lending business.

The disposals of Gold-Face Finance and the Property constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules. A circular containing, amongst other things, further details of the Restructuring Agreement and the Sale and Purchase Agreement will be despatched to the Shareholders as soon as practicable.

At the request of the Company, trading in the Company's shares was suspended from 9:30 a.m. on 19 May 2003 and will remain suspended until further notice.

DEFINITIONS

"Board"	the board of Directors
"Companies Ordinance"	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
"Company"	Gold-Face Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"Chun Po"	Chun Po Investment Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
"Director(s)"	the director(s) of the Company
"Gold-Face Enterprises"	Gold-Face Enterprises Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
"Gold-Face Finance"	Gold-Face Finance Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
"Gold-Face Investment"	Gold-Face Investment Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

“Property”	all that piece or parcel of ground registered in the Yuen Long New Territories Land Registry as Lots Nos. 3123, 3124, 3178, 3202, 3215, 3216, 3217, 3237 and 3238, all in demarcation district No. 104 and the remaining portion of Lots Nos. 3122, 3147, 3150, 3153, 3192, 3201, 3204, 3209, 3211, 3212, 3213, 3218, 3220 and 3230, all in demarcation district No. 104 and of and in the messuages erections and buildings thereon (if any)
“Purchaser”	Capital Chance Limited, a company incorporated in Hong Kong with limited liabilities
“Restructuring Agreement”	the restructuring agreement dated 21 January 2005 between Gold-Face Finance, Upbest Finance, Gold-Face Investment, Gold-Face Enterprises and Chun Po
“Sale and Purchase Agreement”	the provisional sale and purchase agreement for the disposal of the Property dated 9 March 2005 and entered into between Wonder Fit and the Purchaser
“Scheme”	the scheme of arrangement to be made between Gold-Face Finance and its creditors under section 166 of the Companies Ordinance
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of Gold-Face Finance
“Shareholder(s)”	the holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Upbest Finance”	Upbest Finance Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Upbest Group
“Upbest Group”	Upbest Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Wonder Fit”	Wonder Fit Company Limited, a company incorporated in Hong Kong with limited liability and a 80% subsidiary of the Company

By Order of the Board
Gold-Face Holdings Limited
Tai Seow Yoke Peng
Director

As at the date of this announcement, the Board comprises Ms. Tai Seow Yoke Peng and Mr. Ng Yat Cheung as executive directors and Mr. Wan Tai Min, Tommy and Mr. Leung Shu Yin, William as independent non-executive directors.

Hong Kong, 6 April 2005

Please also refer to the published version of this announcement in China Daily.