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GOLDEN SHIELD
Holdings . Industrial . Limited

Golden Shield Holdings (Industrial) Limited

金盾控股 (實業) 有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 2123)

EXCLUSIVITY AGREEMENT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 4 December 2014, the Investor and the Company entered into the Exclusivity Agreement pursuant to which the Investor has been granted the Exclusivity Period to formulate the Resumption Proposal and to negotiate with the Company in good faith for entering into the Restructuring Documents with a view to the Resumption.

Trading in the Shares has been suspended since 9:00 a.m. on 1 April 2014 at the request of the Company and will remain suspended until further notice.

INTRODUCTION

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 4 December 2014, the Investor and the Company entered into the Exclusivity Agreement pursuant to which the Investor has been granted the Exclusivity Period to formulate the Resumption Proposal and to negotiate with the Company in good faith for entering into the Restructuring Documents with a view to the Resumption.

EXCLUSIVITY AGREEMENT

Date : 4 December 2014

Parties : (i) the Company; and
(ii) the Investor

The Investor is a company incorporated in the British Virgin Islands with limited liability. To the best knowledge, information and belief of the Directors, the Investor and the parties acting in concert (within the meaning ascribed thereto in the Hong Kong Code on Takeovers and Mergers) with it are not connected persons of the Company as defined under the Listing Rules, and have not acquired any Shares within the 6 months period prior to the date of the signing of the Exclusivity Agreement.

Exclusivity

Pursuant to the Exclusivity Agreement, during the 6-month Exclusivity Period (or such later time as the Company and the Investor may agree in writing) commencing from the date of the Exclusivity Agreement, neither any member of the Group nor any of their directors, advisers, agents or employees shall, directly or indirectly, enter into any discussion or agreement with any person except the Investor, its advisers, agents and employees relating to the acquisition of a controlling shareholding interest in the Company.

During the Exclusivity Period, the parties shall use best endeavours to formulate the Resumption Proposal for the submission to the Stock Exchange with a view to the Resumption.

Principal Terms of the Proposed Restructuring

Working capital facility

The Investor will provide a working capital facility for a sum of up to HK\$10,000,000 (or such higher sum as the Investor may agree from time to time) to Gold Kingdom upon request of the Company.

The working capital facility shall be repayable by Gold Kingdom in the event that the Completion fails to take place and shall be secured by security documents (the “**Working Capital Security Documents**”) as may be agreed by the Company and the Investor, as security for repayment of the facility to the Investor. The working capital facility shall be applied in such manner to be agreed between the Company and the Investor.

Further restructuring

Pursuant to the Exclusivity Agreement, subject to the due diligence review of the affairs of the Company conducted by the Investor, the Proposed Restructuring may include business restructuring or capital restructuring of the Company and/or the entering into of schemes of arrangement by the Company and the Creditors to discharge and compromise all the liabilities of the Company.

Conditions Precedent

Completion will be conditional upon all Restructuring Documents having been duly executed, and the fulfillment of all the conditions set out in the Restructuring Documents.

Termination

The Exclusivity Agreement shall be terminated and be of no further effect upon the expiry of the Exclusivity Period. The Investor will not have any claims against any member of the Group (save and except for any claims by the Investor under the Working Capital Security Documents) and/or any of its advisors.

SUSPENSION OF TRADING

Trading in the Shares was suspended from 9:00 a.m. on 1 April 2014 at the Company's request and will remain suspended until further notice. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares. The publication of this announcement does not warrant any approval from the Stock Exchange on the Resumption. The Company will keep the public informed of the latest development by making further announcements as and when appropriate.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the following meanings:

“Board”	the board of Directors
“Company”	Golden Shield Holdings (Industrial) Limited, a company incorporated in Bermuda with limited liability and the Shares are listed on the Stock Exchange
“Completion”	completion of investment by the Investor including but not limited to the transactions contemplated under the Proposed Restructuring
“Creditors”	the creditors of the Company
“Director(s)”	the director(s) of the Company
“Exclusivity Agreement”	the exclusivity agreement dated 5 December 2014 entered into between the Investor and the Company, pursuant to which the Investor has been granted the Exclusivity Period to formulate the Resumption Proposal, negotiate with the Company in good faith for entering into the Restructuring Documents with a view to the Resumption
“Exclusivity Period”	the 6-month period from the date of the signing of the Exclusivity Agreement
“Gold Kingdom”	Gold Kingdom International Limited, a company incorporated in Hong Kong with limited liability, which is wholly and beneficially owned by the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Investor”	Pinnacle Partner Global Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by a person not connected to the Company to the best knowledge of the Directors
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Restructuring”	the proposed restructuring of the Group as set out in the Exclusivity Agreement
“Restructuring Documents”	all documents necessary to document and implement the transactions contemplated under the Exclusivity Agreement, the Proposed Restructuring and the Resumption Proposal
“Resumption”	the resumption of trading in the Shares on the Main Board of the Stock Exchange
“Resumption Proposal”	a proposal to be formulated for the Resumption for submission to the Stock Exchange
“Share(s)”	share(s) HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Golden Shield Holdings (Industrial) Limited
Chew Chee Wah
Chairman

Hong Kong, 5 December 2014

As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Chow Ming Ho Patrick, Mr. Chen Zhifeng and Mr. Wu Shoumin; two non-executive directors, namely, Dr. Chew Chee Wah and Mr. Fan Xilu; and three independent non-executive directors, namely, Mr. Chan Chi Wai, Benny, Mr. Lam Tin Faat and Mr. Mak Ka Wing, Patrick.