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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 PROPOSED ACQUISITION OF 51% INTEREST IN THE SHARE CAPITAL OF OPTIMUS FINANCIAL GROUP LIMITED

The Board is pleased to announce that on 26 June 2020 (after trading hours), Goldbond Investment (a wholly-owned subsidiary of the Company) entered into the Agreement with the Vendor, pursuant to which Goldbond Investment has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares representing 51% of the total issued share capital of the Target Company as at the date of this announcement.

The total consideration for the Acquisition is HK\$41,800,000 and payable by Goldbond Investment to the Vendor in cash upon completion.

The Target Group is principally engaged in (i) financial leasing and provision of property and automobile finance lease services; and (ii) car trading, mainly in Shanghai and Jiangsu Province, the PRC.

LISTING RULES IMPLICATIONS

As one or more of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The completion of the Acquisition is conditional upon fulfillment of the Acquisition Conditions. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the shares of the Company.

INTRODUCTION

The Board is pleased to announce that on 26 June 2020, Goldbond Investment (a wholly-owned subsidiary of the Company) entered into the Agreement with the Vendor in respect of the Acquisition. Set out below is a summary of the material terms of the Agreement.

AGREEMENT

Date

26 June 2020 (after trading hours)

Parties

Purchaser: Goldbond Investment Group Limited

Vendor: Quan Tai Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Target Company, its beneficial owners (including the Vendor) and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Assets to be acquired

Pursuant to the Agreement, Goldbond Investment has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares representing 51% of the total issued share capital of the Target Company as at the date of this announcement.

Consideration

The total consideration for the Acquisition is HK\$41,800,000 and payable by Goldbond Investment to the Vendor in cash upon completion. The consideration for the Acquisition will be financed by the Group's internal resources.

The consideration for the Acquisition was determined after arm's length negotiation between Goldbond Investment and the Vendor having taken into account, among other things, (i) the reasons for the Acquisition as disclosed in the section headed "Information of the Company and Reasons for and Benefits of the Acquisition" below; and (ii) the net asset value and cash balance of the Target Group as at 31 December 2019 and the date of completion of the Acquisition.

Acquisition Conditions

The completion of the Acquisition is conditional upon the fulfilment (or waiver, if applicable) of all the following Acquisition Conditions:

- (1) Goldbond Investment being satisfied with the results of the due diligence exercise on each member of the Target Group and the Target Company providing to Goldbond Investment unaudited consolidated financial statements of the Target Company for the five months ended 31 May 2020;
- (2) the Outstanding Loan having been repaid by TUS Cloud to Shanghai Nanlang in full;
- (3) the Vendor having obtained all necessary authorisations (or waivers) and completed all necessary registrations and filings (if applicable) in relation to the Agreement and the Acquisition;
- (4) there being no breach of any of the representations, warranties and undertakings given, and to be given, by the Vendor to Goldbond Investment;
- (5) there not having occurred, in the sole opinion of Goldbond Investment acting reasonably, any change or effect, the consequence of which materially and adversely affects the condition (financial or otherwise), business, liabilities, results of operations, prospects and/or assets of any member of the Target Group or the Target Group as a whole; and
- (6) there being no breach of any of the representations, warranties and undertakings given, and to be given, by Goldbond Investment to the Vendor.

Goldbond Investment may waive any of the Acquisition Conditions (save for the Acquisition Condition (6) above) by written notice to the Vendor either in whole or in part, and the Vendor may waive the Acquisition Condition (6) above by written notice to Goldbond Investment, and such waiver may be made subject to such terms and conditions as the other party may require.

If any of the Acquisition Conditions has not been fulfilled or waived by the Long Stop Date, either Goldbond Investment or the Vendor shall be entitled to rescind the Agreement by giving written notice to Goldbond Investment or the Vendor (as the case may be) whereupon the Agreement shall be terminated, and neither Goldbond Investment nor the Vendor shall have any claim against the Vendor or Goldbond Investment (as the case may be) for any costs, damages, compensation or otherwise in relation to the Agreement, save in respect of claims arising out of or in connection with any antecedent breach of the Agreement.

Completion of the Acquisition

The completion of the Acquisition shall take place within ten (10) business days after the fulfilment of all the Acquisition Conditions and in any event on or before the Long Stop Date.

Upon completion of the Acquisition, Goldbond Investment will hold 17,110,500 Shares, representing 51% of the total issued share capital of the Target Company. The Target Company and its subsidiaries will become non wholly-owned subsidiaries of the Company and the Target Group's financial results will be consolidated into the Group's consolidated financial statements.

UNDERTAKINGS PROVIDED BY THE MANAGEMENT SHAREHOLDER

On 26 June 2020 (after trading hours), Goldbond Investment entered into the Letter of Undertaking with the Management Shareholder (by which the members of the management team of the Target Group were nominated), pursuant to which the Management Shareholder has (i) provided Goldbond Investment with the Management Shareholder's Warranties in respect of (among others) the corporate status, legal compliance, financial conditions, business, operations, assets and liabilities in relation to the Target Group; (ii) agreed and undertaken to indemnify Goldbond Investment for any breach of the Management Shareholder's Warranties; and (iii) agreed and undertaken not to transfer any of the Shares held by it to any third parties within six months after the date of completion of the Acquisition.

The maximum liability of the Management Shareholder under the Letter of Undertaking shall be HK\$40,160,784.31.

The Management Shareholder may, at its sole discretion, choose to transfer all or any part of the Shares held by it to Goldbond Investment at a consideration which is based on the agreed enterprise value of approximately HK\$81,960,000 (also the agreed enterprise value of the Target Company for the Acquisition) of the Target Company to set off against the amount payable by the Management Shareholder for the breach of Management Shareholder's Warranties.

As at the date of this announcement, the Management Shareholder owns 6,575,800 Shares, representing 19.6% of the total issued capital of the Target Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Management Shareholder, its beneficial owners and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons as at the date of this announcement and prior to completion of the Acquisition.

INFORMATION ON THE TARGET COMPANY

The Target Company is an investment holding company and is owned as to 51% by Vendor, 29.4% by Mighty Great Limited and 19.6% by the Management Shareholder, respectively, as at the date of the Agreement. The Target Group is principally engaged in (i) financial leasing and provision of property and automobile finance lease services; and (ii) car trading, mainly in Shanghai and Jiangsu Province, the PRC.

Based on the unaudited consolidated financial statements of Target Group prepared in accordance with generally accepted accounting principles in Hong Kong, the financial information of the Target Group for the financial years ended 31 December 2018 and 31 December 2019 are set out as follows:

	For the financial year ended 31 December	
	2018 HK\$'000	2019 HK\$'000
Net profit/(loss) before taxation	11,804	(13,111)
Net profit/(loss) after taxation	10,152	(14,494)

Based on the unaudited consolidated financial statements of Target Group for the financial year ended 31 December 2019 prepared in accordance with generally accepted accounting principles in Hong Kong, the net asset value of the Target Group as at 31 December 2019 was approximately HK\$122,615,000.

INFORMATION ON THE VENDOR

The Vendor is an investment holding company and a wholly-owned subsidiary of TUS International, the shares of which are listed on Main Board of the Stock Exchange (Stock Code: 872).

INFORMATION ON THE MANAGEMENT SHAREHOLDER

The Management Shareholder is an investment holding company.

INFORMATION ON THE COMPANY AND REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company. The principal activities of the Group are (i) provision of financing services and factoring services; and (ii) trading of goods in the PRC.

Since April 2020, the Group has expanded into the businesses of (i) car operating lease; and (ii) provision of property technology services in the PRC. Through the Acquisition, the Group will have instant access to the Target Group's established platforms and networks for its businesses of financial leasing and provision of property and automobile financial lease services. The Directors believe that the Acquisition is an opportunity to further strengthen the Group's business strategy of exploring the automobile financial lease services market and to create substantial synergies with the Group's current businesses of financing services and operating lease, by consolidating the respective experience, resources and business network of the Group and the Target Group. In respect of our business of provision of property technology services in the PRC, the Group and the Target Group are expected to collaborate to provide our customers with enhanced financial leasing services. In addition, the Acquisition would (i) generate additional source of income; (ii) reduce operating cost margin of the Group by integration and consolidation of businesses; and (iii) enable the Group to expand its customers base.

Based on the aforesaid, the Directors are of the view that the terms of the Agreement and the Letter of Undertaking are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 28 June 2019 and will remain suspended until further notice.

In addition, the completion of the Acquisition is conditional upon fulfillment of the Acquisition Conditions. Accordingly, the Acquisition may or may not proceed.

Shareholders and potential investors should exercise extreme caution when dealing in the shares of the Company.

DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Shares by Goldbond Investment from the Vendor pursuant to the terms of the Agreement
“Acquisition Conditions”	the conditions precedent to the completion of the Acquisition
“Agreement”	the sale and purchase agreement dated 26 June 2020 and entered into between Goldbond Investment and the Vendor in relation to the Acquisition
“Board”	the board of directors of the Company
“Company”	Goldbond Group Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 172)
“connected person(s)”	has the meaning ascribed to this term under Chapter 14A of the Listing Rules
“Directors”	the directors of the Company
“Goldbond Investment”	Goldbond Investment Group Limited, a wholly-owned subsidiary of the Company and the purchaser under the Agreement
“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 PRC
“Letter of Undertaking”	the letter of undertaking dated 26 June 2020 and entered into between Goldbond Investment and the Management Shareholder in relation to (among others) the Management Shareholder’s Warranties
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	25 July 2020 (being one (1) month from the date of the Agreement), or such other date as may be agreed in writing between Goldbond Investment and the Vendor

“Management Shareholder’s Warranties”	the representations and warranties provided by the Management Shareholder under the Letter of Undertaking in respect of (among others) the corporate status, legal compliance, financial conditions, business, operations, assets and liabilities in relation to the Target Group
“Management Shareholder”	Universal Capital Group Limited, a company incorporated in the British Virgin Islands and a shareholder of the Target Company holding 19.6% of the total issued share capital of the Target Company as at the date of the Agreement
“Outstanding Loan”	the outstanding loan/indebtedness in the principal amount of RMB25,000,000 (equivalent to approximately HK\$27,500,000) plus all interest accrued up to the date of completion of the Acquisition due, owing or payable to Shanghai Nanlang (a wholly-owned subsidiary of the Target Company) by TUS Cloud (a fellow subsidiary of the Vendor) as at the date of the Agreement
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Sale Shares”	an aggregate of 17,110,500 issued Shares, representing 51% of the total issued share capital of the Target Company as at the date of the Agreement
“Shanghai Nanlang”	Shanghai Nanlang Finance Lease Limited* (上海南朗融資租賃有限公司), a wholly foreign-owned enterprise incorporated in the PRC and a wholly-owned subsidiary of the Target Company
“Shareholders”	shareholders of the Company
“Shares”	ordinary shares of nominal value of US\$0.001 each in the share capital of the Target Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Optimus Financial Group Limited, a company incorporated in the Cayman Islands with limited liability
“Target Group”	the Target Company and its subsidiaries
“TUS Cloud”	TUS Cloud Control (Beijing) Technology Limited* (啟迪雲控(北京)科技有限公司), a company incorporated in the PRC and a fellow subsidiary of the Vendor

“TUS International”	TUS International Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 872)
“Vendor”	Quan Tai Limited, a company incorporated in the British Virgin Islands with limited liability and a controlling shareholder of the Target Company holding 51% of its total issued share capital as at the date of this announcement
“%”	percentage

* *For reference purposes only, the Chinese name of the PRC entity has been translated into English in this announcement. In the event of any discrepancies between such Chinese name and its English translation, the Chinese name shall prevail.*

By order of the Board of
Goldbond Group Holdings Limited
Wong Yu Lung, Charles
Chairman

Hong Kong, 26 June 2020

As at the date of this announcement, the Board comprises Mr. Wong Yu Lung, Charles and Ms. Wong, Michelle Yatyee (all being executive Directors), Mr. Ma Ho Fai GBS JP, Mr. Cheng Yuk Wo and Mr. Yeh Shing Hang Kevin Arthur (all being independent non-executive Directors).

For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.10 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.