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Fulbond Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1041)

PARTIAL COMPLETION OF PLACING OF THE FULBOND CONVERTIBLE NOTES AND ADJUSTMENT TO CONVERSION PRICE OF WISE VIRTUE CONVERTIBLE NOTE AND SUN BOOM CONVERTIBLE NOTES

The Board is pleased to announce that the partial completion of the placing of the Fulbond Convertible Notes in the aggregate principal amount of HK\$200,000,000 took place on 29 December 2009.

Reference is made to the announcement of the Company dated 6 August 2009 (the "Announcement") and the circular of the Company dated 28 September 2009 (the "Circular") in respect of, inter alia, the placing of convertible notes of the Company in the maximum aggregate principal amount of HK\$800,000,000. Unless otherwise defined, terms used in this announcement shall have the same meaning as those defined in the Announcement and the Circular.

The placing of the Fulbond Convertible Notes in the principal amount of HK\$800,000,000 was approved by the Shareholders at the SGM. On 22 December 2009, the Listing Committee of the Stock Exchange has, upon application by the Company, granted, on a conditional basis, the listing of and permission to deal in a maximum of 20,000,000,000 Conversion Shares in an aggregate sum of HK\$200,000,000 at the initial conversion price of HK\$0.01 per Share (subject to adjustment). Accordingly, the conditions precedent in relation to the issue of the relevant Fulbond Convertible Notes have been fulfilled. The Board is pleased to announce that the partial completion of the Placing in the aggregate principal amount of HK\$200,000,000 took place on 29 December 2009. The Placing Agent has placed the Fulbond Convertible Notes in the aggregate principal amount of HK\$200,000,000 to not less than six placees (the "Placees"). To the best knowledge, information and belief of the Directors, the Placees and their ultimate beneficial owners are independent of and not connected with the Company and the directors, chief executive or substantial shareholders(s) of the Company or any of its subsidiaries or their respective associates.

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon the above-mentioned partial completion of the Placing are set out as below:

	Existing shareholdings		Assuming allotment and issue of 20,000,000,000 Shares upon conversion of the relevant Fulbond Convertible Notes at the conversion price of HK\$0.01 per Share	
	<i>No. of Shares</i>	<i>%</i> <i>(approximately)</i>	<i>No. of Shares</i>	<i>%</i> <i>(approximately)</i>
1. Zhang Xi (<i>Note 1</i>)	1,592,826,000	12.11	1,592,826,000	4.80
Public Shareholding:				
2. Placees (<i>Note 2</i>)	–	–	20,000,000,000	60.33
3. Other public Shareholders	11,558,178,365	87.89	11,558,178,365	34.87
Total	<u>13,151,004,365</u>	<u>100.00</u>	<u>33,151,004,365</u>	<u>100.00</u>

Notes:

1. Mr. Zhang Xi is an executive Director and chairman of the Company. Upon full conversion of the 20,000,000,000 Conversion Shares as a result of the partial completion of the Placing, Mr. Zhang Xi will no longer be substantial Shareholder.
2. Among the Placees, two individual Placees will become substantial Shareholders holding approximately 18.10% each of the enlarged issued share capital of the Company upon full conversion of the Fulbond Convertible Notes in the principal amount of HK\$200,000,000 (assuming there being no other change in the issued share capital or shareholding structure of the Company from the date of this announcement up to the date of such conversion).

Further announcement(s) will be made by the Company as and when the next tranche of the Fulbond Convertible Notes is issued.

ADJUSTMENT TO CONVERSION PRICE OF WISE VIRTUE CONVERTIBLE NOTE AND SUN BOOM CONVERTIBLE NOTES

Pursuant to the terms and conditions of Wise Virtue Convertible Note and Sun Boom Convertible Notes, the conversion price of the outstanding Wise Virtue Convertible Note and Sun Boom Convertible Notes has been adjusted from HK\$0.086 to HK\$0.047 as a result of partial completion of the Placing with effect from 29 December 2009, being the date of issue of the relevant Fulbond Convertible Notes. Save for the above adjustment, all other terms and conditions of Wise Virtue Convertible Note and Sun Boom Convertible Notes remain unchanged. The above adjustment was computed by the Company in accordance with the terms and conditions of Wise Virtue Convertible Note and Sun Boom Convertible Notes and has been certified by Shenyin Wanguo Capital (H.K.) Limited.

By Order of the Board of
Fulbond Holdings Limited
Zhang Xi
Chairman

Hong Kong, 29 December 2009

As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Zhang Xi, Ms. Catherine Chen, Mr. Yeung Kwok Yu, Mr. Lee Sun Man, Mr. Kwan Kam Hung, Jimmy and Mr. Wah Wang Kei, Jackie; and four independent non-executive Directors, namely Mr. Hong Po Kui, Martin, Mr. Yu Pan, Ms. Ma Yin Fan and Mr. Leung Hoi Ying.