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## **Fulbond Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1041)**

### **PARTIAL COMPLETION OF PLACING OF THE SECOND TRANCHE CONVERTIBLE NOTES AND CHANGE OF USE OF PROCEEDS**

#### **Partial Completion of the Placing of the Second Tranche Convertible Notes**

The Board is pleased to announce that partial completion of the placing of the Second Tranche Convertible Notes in an aggregate principal amount of HK\$250,000,000 took place on 10 August 2010.

#### **Change of Use of Proceeds**

As disclosed in the Announcement, part of the net proceeds from the First Tranche Convertible Notes of approximately HK\$50,000,000 were intended to be used as general working capital of the Company. In view of the Acquisition, the aforementioned sum of HK\$50,000,000 would now be applied to satisfy part of the consideration for the Acquisition.

#### **Partial Completion of the Placing of the Second Tranche Convertible Notes**

Reference is made to the announcements of Fulbond Holdings Limited (the "Company") dated 6 August 2009, 25 September 2009, 16 October 2009, 29 December 2009 and 14 January 2010 and the circular of the Company dated 28 September 2009 in respect of, inter alia, the Placing and the announcements of the Company dated 9 June 2010 and 20 July 2010 and the circular of the Company dated 28 June 2010 (the "Circular") in respect of, inter alia, the placing of the Second Tranche Convertible Notes. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meaning as those defined in the Circular.

The resolutions approving, inter alia, the Placing Agreement and the placing of the Second Tranche Convertible Notes were passed at the special general meetings of the Company held on 16 October 2009 and 20 July 2010 respectively. On 2 August 2010, the Listing Committee of the Stock Exchange, upon application by the Company, granted on a conditional basis the listing of and permission to deal in the Conversion Shares which may fall to be issued on exercise of the conversion rights attaching to the Second Tranche Convertible Notes in an aggregate principal amount of HK\$250,000,000 (the "HK\$250 million CN"). Accordingly, the conditions precedent in relation to the issue of the HK\$250 million CN have been fulfilled. The Board is pleased to announce that the placing of the HK\$250 million CN was completed on 10 August 2010.

The Placing Agent has placed the HK\$250 million CN to not less than six 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 (i) the Company and its connected persons; (ii) Chengdu Hongbang; and (iii) Xi'an Yuansheng. In addition, no Placees of the HK\$250 million CN would, upon exercise of the conversion rights attaching to the HK\$250 million CN and in aggregate with the existing Shares, the Existing Convertible Notes and the Warrants as may be held by it/him, be holding 10% or more of the issued share capital of the Company as enlarged by those Shares falling to be issued under the HK\$250 million CN, the Existing Convertible Notes and the Warrants. The net proceeds from the HK\$250 million CN would be applied to satisfy part of the consideration for the Acquisition.

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the placing of the HK\$250 million CN are set out below:

Shareholders	As at the date of this announcement		Assuming allotment and issue of 25,000,000,000 Shares upon conversion of the HK\$250 million CN at the conversion price of HK\$0.01 per Share		Assuming allotment and issue of (i) 25,000,000,000 Shares upon conversion of the HK\$250 million CN and (ii) 25,000,000,000 Shares upon conversion of the Existing Convertible Notes, in each case, at the conversion price of HK\$0.01 per Share	
	No. of Shares	Approximate shareholding percentage %	No. of Shares	Approximate shareholding percentage %	No. of Shares	Approximate shareholding percentage %
Zhang Xi (Note 1)	1,592,826,000	4.52	1,592,826,000	2.64	1,592,826,000	1.87
<b>Substantial Shareholder</b>						
Wong Hip Keung	4,000,000,000	11.35	4,000,000,000	6.64	4,000,000,000	4.69
<b>Public Shareholders</b>						
Wong Lai Hop	3,450,000,000	9.79	3,450,000,000	5.73	3,450,000,000	4.05
Placees of the HK\$250 million CN	–	–	25,000,000,000	41.50	25,000,000,000	29.33
Holder of the Existing Convertible Notes	–	–	–	–	25,000,000,000	29.33
Other public shareholders	26,200,101,432	74.34	26,200,101,432	43.49	26,200,101,432	30.74
<b>Total</b>	<b>35,242,927,432</b>	<b>100.00</b>	<b>60,242,927,432</b>	<b>100.00</b>	<b>85,242,927,432</b>	<b>100.00</b>

Notes:

1. Mr. Zhang Xi is an executive Director and the Chairman of the Company.
2. The percentages may not add up to 100% due to rounding.

Further announcement(s) will be made by the Company as and when the next tranche of the Second Tranche Convertible Notes, if any, is issued.

## **Change of Use of Proceeds**

As disclosed in the Announcement, part of the net proceeds from the First Tranche Convertible Notes of approximately HK\$50,000,000 were intended to be used as general working capital of the Company. In view of the Acquisition, the aforementioned sum of HK\$50,000,000 would now be applied to satisfy part of the consideration for the Acquisition.

The Board considers that the above change of use of proceeds obtained from the First Tranche Convertible Notes is in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 10 August 2010

*As at the date of this announcement, the Board comprises seven executive Directors, namely Mr. Zhang Xi, Ms. Catherine Chen, Mr. Yeung Kwok Yu, Mr. Chiu Kong, 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.*