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## **Fulbond Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1041)**

**EXTENSION OF THE LONG STOP DATE  
IN RELATION TO THE ACQUISITION AGREEMENT  
AND  
EXTENSION OF THE LONG STOP DATES IN RELATION TO THE  
SHARE PLACING AGREEMENTS AND THE CN PLACING AGREEMENT  
AND  
LOAN AGREEMENT  
AND  
REVISED EXPECTED TIMETABLE FOR THE PROPOSED  
CAPITAL REORGANISATION AND CHANGE OF BOARD LOT SIZE  
AND  
DESPATCH OF CIRCULAR**

### **Extension of the long stop date in relation to the Acquisition Agreement**

On 23 May 2011, the Purchaser, the Vendor and the Vendor's Guarantors agreed to extend the long stop date for fulfillment or waiver of the Conditions Precedent to 30 September 2011.

### **Extension of the long stop dates in relation to the Share Placing Agreements and the CN Placing Agreement**

On 23 May 2011, the Company and the respective Share Placing Agent agreed to extend the long stop dates for fulfillment or waiver of the conditions precedent of the Share Placing Agreements, respectively, to 30 September 2011.

On 23 May 2011, the Company and the CN Placing Agent agreed to extend the long stop date for fulfillment of the conditions precedent of the CN Placing Agreement to 30 September 2011.

### **Loan Agreement**

On 23 May 2011, the Purchaser entered into the Loan Agreement with Lau Yung, pursuant to which the Purchaser agreed to grant to Lau Yung the loan facility of up to HK\$25,000,000. The loan will be for a term of 6 months from the date of drawdown and will bear interest at the rate of 10% per annum. Interest will be paid monthly.

A resolution will be put forward to the Shareholders for approval of the Loan Agreement together with the Share Mortgage and the Guarantees at the SGM.

## **Revised Expected Timetable for the Proposed Capital Reorganisation and Change of Board Lot Size**

The Board wishes to draw Shareholders' and investors' attention to the revised expected timetable for the proposed Capital Reorganisation and change of board lot size as set out herein.

### **Despatch of Circular**

The Circular will be despatched by the Company to its Shareholders on 25 May 2011.

Reference is made to the announcement of Fulbond Holdings Limited (the "Company") dated 2 February 2011 (the "Announcement") in relation to, inter alia, (i) the acquisition of the entire issued share capital of and assignment of the shareholder's loan in Lithium Energy Group Ltd., which constitutes a very substantial acquisition for the Company under the Listing Rules, (ii) placing of new shares under specific mandate, (iii) placing of convertible notes, (iv) proposed capital reorganization and (v) change of board lot size. Terms used herein shall have the same meanings as defined in the Announcement unless defined otherwise.

### **Extension of the long stop date in relation to the Acquisition Agreement**

On 23 May 2011, the Purchaser, the Vendor and the Vendor's Guarantors entered into a supplemental agreement to extend the long stop date for the Acquisition Completion to 30 September 2011. If the Conditions Precedent are not fulfilled (or waived by the Purchaser, save for conditions (f), (g) and (h) as set out in the Acquisition Agreement which cannot be waived) on or before 30 September 2011 or such other date as the parties to the Acquisition Agreement may agree, the Acquisition Agreement and the transactions contemplated thereunder shall terminate and be null and void and of no further effect and no parties thereto shall have any liability to any other party, save in respect of any prior breaches. Save for the aforesaid, all other terms and conditions of the Acquisition Agreement remain unchanged.

### **Extension of the long stop dates in relation to the Share Placing Agreements and the CN Placing Agreement**

On 23 May 2011, the Company and the respective Share Placing Agent agreed to extend the long stop dates for fulfillment or waiver of the conditions precedent of the Share Placing Agreements, respectively, to 30 September 2011.

On 23 May 2011, the Company and the CN Placing Agent agreed to extend the long stop date for fulfillment of the conditions precedent of the CN Placing Agreement to 30 September 2011.

Save for the above, all other terms and conditions of the Share Placing Agreements and the CN Placing Agreement, respectively, shall remain unchanged.

## The Loan Agreement

The Company was informed by the Vendor that they may not be able to arrange for payment of consideration (“Consideration”) for the transfer of the entire equity interest in Lithium Zhuhai from Original Owners to Lithium HK, being RMB50 million (less HK\$10 million which has been settled) in full before Acquisition Completion. In order to facilitate the operation of the Target Group and the smooth Acquisition Completion, the Purchaser entered into a loan agreement (the “Loan Agreement”) with Lau Yung, the 97% shareholder of the Vendor. The principal terms of the Loan Agreement are set out below:

Date : 23 May 2011

Lender : Fulbond Investments Limited

Borrower : Lau Yung

Loan Facility : up to HK\$25,000,000

Lau Yung will then grant a shareholder’s loan in the same amount to the Vendor which will in turn inject such loan proceeds to the Target Group through the Target Company for payment of the Consideration. The shareholder’s loan to be granted by the Vendor to Target Company will constitute part of the Shareholder’s Loan which will be acquired by the Purchaser under the Acquisition Agreement under the total Consideration of HK\$900 million.

The loan will be for a term of 6 months from the date of drawdown and will bear interest at the rate of 10% per annum. Interest will be paid monthly. The loan will be secured by (i) a share mortgage (“Share Mortgage”) whereby Lau Yung and Fei Phillip, being all the shareholders of the Vendor, will charge the entire issued share capital in, and shareholders’ loan due and owing by, the Vendor in favour of the Purchaser to secure the obligations of Lau Yung under the Loan Agreement; and (ii) the guarantees (“Guarantees”) whereby each of Yeung Tsoi San and Fei Phillip will guarantee the obligations of Lau Yung under the Loan Agreement. The Share Mortgage and the Guarantees will be entered into upon the drawdown of the loan facility as set out above.

The Loan Agreement is conditional upon (i) approval by shareholders of the Company at a special general meeting and (ii) simultaneous completion of the Acquisition Agreement.

The loan will be injected to the Target Group to settle the consideration for acquisition of Lithium Zhuhai. In addition, the Loan Facility will be secured by the Share Mortgage and the Guarantees. The Directors consider the Share Mortgage and the Guarantees are adequate securities as the Guarantees were given (i) by Mr. Fei Phillip, who was a director of a company listed on the Stock Exchange and is a professor of The International Economic Department of University of International Relations, the PRC, and (ii) by Mr. Yeung Tsoi San, who is a well-known businessman in the PRC who had participated in a number of cross border merger and acquisition transactions in the PRC. As to the Share Mortgage, upon expiry of the term of the Loan Facility, the Acquisition Completion would have taken place. At that time, the 1st Stage Shares (ie. 1,428,571,428 Existing Shares or 142,857,142 Reorganised Shares) would have been issued to the Vendor. Based on the closing price of HK\$0.031 per Share as quoted on the Stock Exchange on the Latest Practicable Date (as defined in the Circular), the 1st Stage Shares as may be owned by the Vendor would have the market value of approximately HK\$44 million. On the other hand, the Loan Facility is subject to the simultaneous completion of the Acquisition. In any event, even if Lau Yung defaulted in the payment of the Loan Facility, the Group will still be in possession of the relevant lithium operation license and patents owned by the Target Group after the Acquisition Completion. In view of the above reasons, the Directors consider that it is in the interests of the Company and the Shareholders for the Company to grant the Loan Facility so as to expedite the commencement of the operation of the Target Group and to facilitate the Acquisition Completion.

A resolution will be put forward to the Shareholders for approval of the Loan Agreement together with the Share Mortgage and the Guarantees at the SGM. For further details, please refer to the Circular (as defined hereinafter) to be despatched by the Company to its Shareholders on 25 May 2011.

**Revised Expected Timetable for the Proposed Capital Reorganisation and Change of Board Lot Size**

The Board wishes to draw Shareholders' and investors' attention to the revised expected timetable for the proposed Capital Reorganisation and change of board lot size as set out below:

2011

Date of despatch of the circular . . . . .	Wednesday, 25 May
Latest time for lodging forms of proxy for the SGM (not less than 48 hours before the SGM) . . . . .	11:00 a.m., Sunday, 19 June
Expected date and time of SGM. . . . .	11:00 a.m., Tuesday, 21 June
Publication of announcement of results of the SGM . . . . .	Tuesday, 21 June
Effective date of the Capital Reorganisation . . . . .	Wednesday, 22 June
First day of free exchange of existing share certificates in blue colour for new share certificates for Reorganised Shares in yellow colour . . . . .	Wednesday, 22 June
Commencement in dealings in the Reorganised Shares . . . . .	9:00 a.m., Wednesday, 22 June
Original counter for trading in the Existing Shares in board Lots of 2,000 Existing Shares temporarily closes . . . . .	9:00 a.m., Wednesday, 22 June
Temporary counter for trading in the Reorganised Shares in board lots of 200 Reorganised Shares (in the form of existing share certificates in blue colour) opens . . . . .	9:00 a.m., Wednesday, 22 June
Original counter for trading in the Reorganised Shares in board lots of 10,000 Reorganised Shares (in the form of new share certificates in yellow colour) reopens . . . . .	9:00 a.m., Thursday, 7 July
Parallel trading in the Reorganised Shares (in form of new and existing certificates) commences on . . . . .	9:00 a.m., Thursday, 7 July
Designated broker starts to stand in the market to provide matching services for sale and purchase of odd lots of Reorganised Shares. . . . .	Thursday, 7 July
Temporary counter for trading in the Reorganised Shares in board lots of 200 Reorganised Shares (in the form of existing share certificates in blue colour) closes . . . . .	4:00 p.m., Wednesday, 27 July

Parallel trading in Reorganised Shares (in form of  
new and existing certificates) ends . . . . .4:00 p.m., Wednesday, 27 July

Designated broker ceases to stand in the market to  
provide matching services for sale and purchase of  
odd lots of Reorganised Shares. . . . . Wednesday, 27 July

Last day for free exchange of existing share certificates . . . . .Friday, 29 July

*All date and time references in this announcement refer to Hong Kong time.*

All relevant dates set out in the Announcement will be revised according to the above revised expected timetable of the proposed Capital Reorganisation and change in board lot size as appropriate.

Dates or deadlines specified in this announcement are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

### **Despatch of Circular**

A circular (the “Circular”) containing, among other things, (i) further information on the Acquisition, the Share Placings, the CN Placing and the Capital Reorganisation; (ii) the financial and other information of the Group; (iii) the financial information of the Target Group; (iv) the pro forma financial information on the Group immediately after Acquisition Completion; (v) the business valuation of the Target Group; (vi) the property valuation of the Group immediately after Acquisition Completion; and (vii) the notice of the SGM, will be despatched by the Company to the Shareholders on 25 May 2011.

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

Hong Kong, 24 May 2011

*As at the date of this announcement, the executive directors of the Company are Mr. Zhang Xi, Ms. Catherine Chen, Mr. Chiu Kong, Mr. Yeung Kwok Yu, Mr. Kwan Kam Hung, Jimmy, Mr. Wah Wang Kei, Jackie and Mr. Chen Guang Lin; and the independent non-executive directors of the Company are Mr. Hong Po Kui, Martin, Ms. Ma Yin Fan, Mr. Yu Pan and Mr. Leung Hoi Ying.*