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FULBOND'S SHAREHOLDERS APPROVES OF LITHIUM PROJECT ACQUISITION TO TAP INTO NEW ENERGY AUTOMOBILE MARKET WITH A GUARANTEED 5-YEAR PROFIT OF HK\$1.12 BILLION

Shareholders of Fulbond Holdings Limited ("Fulbond" or "the Company", stock code: 1041; together with its subsidiaries, "the Group") approved, with 99.98% of votes cast in favour of, the acquisition of Lithium Energy Group Ltd at a special general meeting ("SGM") held today. Through Lithium Energy Group Ltd, Fulbond will tap into lithium power and green vehicle businesses. The vendor of the acquisition has guaranteed to Fulbond that the audited consolidated net profit of Lithium Energy Group Ltd and its subsidiaries (collectively "Lithium Energy Group") for the five financial years immediately after the completion date of the acquisition (including the year of the completion date) to be not less than HK\$1.12 billion in total.

The consideration of the acquisition is HK\$900 million. Lithium Energy Group is principally engaged in the research and manufacturing of lithium-ion battery; research and production of power motor and controller; and cooperation with strategic partners involving in manufacturing of automotive vehicles, and selling of these vehicles to customers. It possesses a team of experts and consultants comprising professors of reputable universities and has 14 registered patents for technologies relating to the development and design of its products.

"The successful acquisition of Lithium Energy Group will allow the Group to tap into the high-growth new energy vehicle sector, which is supported by the Twelfth Five-Year Plan. Lithium Energy Group has already established operation bases in several cities in the PRC and possessed a number of patents for technologies relating to lithium power products. In addition, Lithium Energy Group's integrated business model, ranging from research and production of lithium-ion battery, power motor and controller to assembling of vehicles, makes it stand out in the industry. We believe that this investment will lay a solid foundation for the sustainable and healthy development of the Company, and can effectively enhance the Group's profitability and financial position," said Mr Zhang Xi, Chairman of Fulbond, after the acquisition was passed at the SGM.

Fulbond has formulated a five-year business plan for the development of Lithium Energy Group. For the battery business, it plans to set up 10 production lines to achieve an annual production capacity not less than 1 billion AH and to reduce the unit cost of production through economies of scale. For the power motor and controller equipments business, the Group intends to set up five production lines to achieve an annual production capacity not less than 20,000 sets to satisfy the needs of vehicle assembly within Lithium Energy Group. For the automotive vehicles business, the Group will involve in the vehicle business through cooperation with strategic partners involving in manufacturing of automotive vehicles to achieve an annual production capacity not less than 10,000 vehicles.

About Fulbond

Listed on the main board of The Stock Exchange of Hong Kong Limited in 1996, the Company has been seeking to expand its business scope with strategic investment in segments with high-growth potential in recent years. In mid-2011, the Company acquired Lithium Energy Group, which has operation bases in Tangshan, Changchun and Zhuhai. In addition to its cooperation with Zhuhai Guangtong Automobile Company for the assembling of pure electric vehicles, Lithium Energy Group has entered into strategic cooperation agreements with a Beijing-based state-owned enterprise under the direct leadership of China Weapon Industry Group Corp., and a city passenger vehicle manufacturer based in Chongqing, which is one of the largest in the PRC. Under these strategic cooperation agreements, Lithium Energy Group will provide batteries, power motor and controller and the management system for the assembly of vehicles. It will also be responsible for the distribution and sale of these electric vehicles.

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