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Fulbond Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1041)

**COMPLETION OF PLACING OF
THE REMAINING FIRST TRANCHE FULBOND CONVERTIBLE NOTES
AND
CONVERSION OF PART OF THE FIRST TRANCHE FULBOND CONVERTIBLE NOTES
AND
ADJUSTMENT TO CONVERSION PRICE OF WISE VIRTUE
CONVERTIBLE NOTE AND SUN BOOM CONVERTIBLE NOTE**

The Board is pleased to announce that the placing of the Remaining First Tranche Fulbond Convertible Notes in an aggregate principal amount of HK\$250,000,000 was completed on 14 January 2010.

The Board also wishes to announce that some of the holders of the First Tranche Fulbond Convertible Notes in an aggregate principal amount of HK\$100,000,000 issued on 29 December 2009 have given notices to the Company on 12 January 2010 to convert all these First Tranche Fulbond Convertible Notes at the conversion price of HK\$0.01 per Share.

Pursuant to the terms and conditions of Wise Virtue Convertible Note and Sun Boom Convertible Note, the conversion price of the outstanding Wise Virtue Convertible Note and Sun Boom Convertible Note has been adjusted from HK\$0.047 to HK\$0.044 as a result of the completion of the placing of the Remaining First Tranche Fulbond Convertible Notes with effect from 14 January 2010.

Reference is made to the announcement of Fulbond Holdings Limited (the “Company”) dated 6 August 2009 and the circular of the Company dated 28 September 2009 (the “Circular”) in respect of, inter alia, the Placing and the announcement of the Company dated 29 December 2009 (the “Completion Announcement”) in relation to partial completion of the placing of the First Tranche Fulbond Convertible Notes in an aggregate principal amount of HK\$200,000,000. Unless otherwise defined, terms used in this announcement shall have the same meaning as those defined in the Circular.

Completion of placing of the Remaining First Tranche Fulbond Convertible Notes

The resolution approving, inter alia, the placing of the First Tranche Fulbond Convertible Notes in the maximum aggregate principal amount of HK\$450,000,000 was passed at the SGM. As disclosed in the Completion Announcement, the placing of the First Tranche Fulbond Convertible Notes in an aggregate principal amount of HK\$200,000,000 was completed on 29 December 2009. Subsequently, on 12 January 2010, 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 25,000,000,000 Conversion Shares in an aggregate sum of HK\$250,000,000 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 remaining First Tranche Fulbond Convertible Notes in an aggregate principal amount of HK\$250,000,000 (the “Remaining First Tranche Fulbond Convertible Notes”) have been fulfilled. The Board is pleased to announce that the placing of the Remaining First Tranche Fulbond Convertible Notes was completed on 14 January 2010. The Placing Agent has placed the Remaining First Tranche Fulbond Convertible Notes 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 the Company and the directors, chief executive or substantial shareholders(s) of the Company or any of its subsidiaries or their respective associates.

Conversion of part of the First Tranche Fulbond Convertible Notes

The Board also wishes to announce that some of the holders of the First Tranche Fulbond Convertible Notes in an aggregate principal amount of HK\$100,000,000 issued on 29 December 2009 have given notices to the Company on 12 January 2010 to convert all these First Tranche Fulbond Convertible Notes at the conversion price of HK\$0.01 per Share (the “Conversion”). As a result of the Conversion, a total of 10,000,000,000 Conversion Shares of US\$0.001 each, representing approximately 71.36% of the issued share capital of the Company prior to the Conversion and approximately 41.64% of the issued share capital of the Company as enlarged by the issue of the 10,000,000,000 Conversion Shares, have been allotted and issued. These Conversion Shares have been issued under the specific mandate granted to the Directors at the SGM held on 16 October 2009.

After the Conversion and the placing of the Remaining First Tranche Fulbond Convertible Notes, the Company’s outstanding convertible notes comprise the Wise Virtue Convertible Note in the principal amount of HK\$80,265,260, the Sun Boom Convertible Note in the principal amount of HK\$50,000,000 and the First Tranche Fulbond Convertible Notes in the principal amount of HK\$350,000,000.

Effect on Shareholding Structure

The shareholding structure of the Company before and after the Conversion and the effect on the shareholding structure of the Company upon completion of the placing of the Remaining First Tranche Fulbond Convertible Notes are set out as below:

| | Before the Conversion | | After the Conversion | | Assuming allotment and issue of 25,000,000,000 Shares upon full conversion of the Remaining First Tranche Fulbond Convertible Notes at the initial conversion price of HK\$0.01 per Share | | Assuming allotment and issue of 35,000,000,000 Shares upon full conversion of the outstanding First Tranche Fulbond Convertible Notes in the aggregate principal amount of HK\$350,000,000 at the initial conversion price of HK\$0.01 per Share | |
|---|-----------------------|--------------------|-----------------------|----------------------------|---|----------------------------|--|-----------------------------------|
| | <i>No. of</i> | <i>Approximate</i> | <i>No. of</i> | <i>Approximate</i> | <i>No. of</i> | <i>Approximate</i> | <i>No. of</i> | <i>Approximate</i> |
| | <i>Shares</i> | <i>%</i> | <i>Shares</i> | <i>%</i> | <i>Shares</i> | <i>%</i> | <i>Shares</i> | <i>%</i> |
| 1. Zhang Xi (<i>Note 1</i>) | 1,592,826,000 | 11.37 | 1,592,826,000 | 6.63 | 1,592,826,000 | 3.25 | 1,592,826,000 | 2.70 |
| 2. Holders of the First Tranche Fulbond Convertible Notes who have exercised the conversion rights attaching thereunder in relation to the Conversion | - | - | 10,000,000,000 | 41.64 (<i>Note 2</i>) | 10,000,000,000 | 20.40 | 10,000,000,000 | 16.95 |
| 3. Placees of the outstanding First Tranche Fulbond Convertible Notes | - | - | - | - | 25,000,000,000 | 51.01 (<i>Note 3</i>) | 35,000,000,000 | 59.31 (<i>Notes 3 and 4</i>) |
| 4. Other public Shareholders | 12,420,562,976 | 88.63 | 12,420,562,976 | 51.72 | 12,420,562,976 | 25.34 | 12,420,562,976 | 21.05 |
| Total | 14,013,388,976 | 100.00 | 24,013,388,976 | 100.00 | 49,013,388,976 | 100.00 | 59,013,388,976 | 100.00 |

Notes:

1. Mr. Zhang Xi is an executive Director and chairman of the Company. Mr. Zhang Xi is no longer a substantial Shareholder after the Conversion.
2. Among the holders of the First Tranche Fulbond Convertible Notes who have exercised the conversion rights attaching thereunder, four of them are each interested in approximately 8.33% of the issued share capital of the Company as enlarged by the Conversion immediately after the Conversion.

3. Among the Placees of the Remaining First Tranche Fulbond Convertible Notes, an individual Placee will become a substantial Shareholder holding approximately 20.40% and 16.95% of the enlarged issued share capital of the Company upon full conversion of the Remaining First Tranche Fulbond Convertible Notes and all of the outstanding First Tranche Fulbond Convertible Notes respectively (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 and that the relevant Placee does not transfer and/or assign any part of the First Tranche Fulbond Convertible Notes held by him before the date of such conversion).
4. Among the Placees of the First Tranche Fulbond Convertible Notes issued on 29 December 2009, two individual Placees, one of which has already partially exercised the conversion rights attaching to the First Tranche Fulbond Convertible Notes held by him as referred to in Note 2 above, will become substantial Shareholders each holding approximately 10.17% of the enlarged issued share capital of the Company upon full conversion of all the outstanding First Tranche Fulbond Convertible Notes (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 and that the relevant Placees do not transfer and/or assign any part of the First Tranche Fulbond Convertible Notes held by them before the date of such conversion).
5. The percentages may not add up to 100% due to rounding.

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

Pursuant to the terms and conditions of Wise Virtue Convertible Note and Sun Boom Convertible Note, the conversion price of the outstanding Wise Virtue Convertible Note and Sun Boom Convertible Note has been adjusted from HK\$0.047 to HK\$0.044 as a result of the completion of the placing of the Remaining First Tranche Fulbond Convertible Notes with effect from 14 January 2010, being the date of issue of the Remaining First Tranche Fulbond Convertible Notes. Save for the above adjustment, all other terms and conditions of Wise Virtue Convertible Note and Sun Boom Convertible Note 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 Note 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, 14 January 2010

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.