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金邦達 Goldpac

Goldpac Group Limited

金邦達寶嘉控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 3315)

DISCLOSEABLE AND MAJOR TRANSACTIONS SUBSCRIPTIONS OF INVESTMENT PRODUCTS

(1) THE GUANGFA INVESTMENTS

During the period from the Listing Date until the date of this announcement, the Company had invested into the Guangfa Fund entrusted by ICBC from time to time. The maximum balance of the Guangfa Investments during the said period is RMB740 million. As at the date of this announcement, the Company has redeemed all of its investments in the Guangfa Fund. The transactions under the Guangfa Investments, when aggregated together pursuant to Rule 14.22 of the Listing Rules, constituted a major transaction, which should have been subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

(2) THE BOCOM SUBSCRIPTIONS

During the period from the Listing Date until the date of this announcement, the Company subscribed for BOCOM Structured Deposits from time to time. The maximum balance of the BOCOM Subscriptions during the said period is RMB125 million. As at the date of this announcement, the Company has redeemed all of its investments in BOCOM Structured Deposits.

(3) THE ICBC SUBSCRIPTIONS

During the period from the Listing Date until the date of this announcement, the Company subscribed for ICBC Structured Deposits from time to time. The maximum balance of the ICBC Subscriptions during the said period is RMB130 million. As at the date of this announcement, the Company has redeemed its investments in ICBC Structured Deposits, and the current balance of the ICBC Subscriptions is RMB50 million.

The BOCOM Subscriptions and the ICBC Subscriptions, when respectively aggregated pursuant to Rule 14.22 of the Listing Rules, constituted a discloseable transaction and should have been subject to the reporting and announcement requirements under the Listing Rules.

BACKGROUND

As part of the Company's treasury activities carried out in the ordinary and usual course of business, the Company had regularly invested in the Guangfa Fund, the BOCOM Structured Deposits and the ICBC Structured Deposits prior to its listing and continued to invest in these products from time to time after its listing.

(1) THE GUANGFA INVESTMENTS

During the period from the Listing Date until the date of this announcement, the Company had invested into the Guangfa Fund entrusted by ICBC from time to time (“**Guangfa Investments**”). The maximum balance of the Guangfa Investments during the said period is RMB740 million. As at the date of this announcement, the Company has redeemed all of its investments in the Guangfa Fund. The Guangfa Fund is regulated by the China Securities Regulatory Commission and a summary of the principal terms of the Guangfa Investments is set out below:

Fund type	:	Money Market Fund
Fund first trading date	:	20 May 2005
Fund supervisor	:	Guangfa Fund Management Company Limited
Fund trustee	:	ICBC
Term of investment	:	Open
Expected return rate (per annum)	:	4.3%–5.6%
Type of return	:	Floating
Return calculation	:	Actual return on the product is calculated based on the subscription amount, actual days of investment, and the annualized return rate
Investment portfolio	:	Bank deposits, national bonds and corporate bonds
Service fee	:	0.01%
Early termination	:	The company has the right to redeem daily during regular trading hours, excluding weekends and public holidays

Payment and return upon maturity : Return is paid to the Company on 15th of each month. Principal is paid to the Company within two business day after the expiry of the term of the relevant subscription

(2) THE BOCOM SUBSCRIPTIONS

During the period from the Listing Date to the date of its announcement, the Company subscribed for BOCOM Structured Deposits from time to time (“**BOCOM Subscriptions**”). The maximum balance of the BOCOM Subscriptions during the said period is RMB125 million. As at the date of this announcement, the Company has redeemed all of its investments in BOCOM Structured Deposits. The parties to these transactions are BOCOM and the Company. A summary of the principal terms of the BOCOM Subscriptions is set out below:

Term of investment : 33–35 days

Expected return rate (per annum) : 5.3%–5.5%

Type of return : Principal and return guaranteed by BOCOM

Return calculation : Actual return on the product is calculated based on the subscription amount, actual days of investment, and the annualized return rate

Investment portfolio : Currency, bonds (above investment grade) and low-risk derivative financial instruments

Early termination : The Company does not have a right of early termination

Payment and return upon maturity : BOCOM shall pay the relevant principal and the corresponding return to the Company in a lump sum on the expiry date of the relevant subscription

(3) THE ICBC SUBSCRIPTIONS

During the period from the Listing Date until the date of this announcement, the Company subscribed for ICBC Structured Deposits from time to time (“**ICBC Subscriptions**”). The maximum balance of the ICBC Subscriptions during the said period is RMB130 million. As at the date of this announcement, the Company has redeemed its investments in ICBC Structured Deposits and the current balance of the ICBC Subscriptions is RMB50 million. The parties to the ICBC Subscriptions are ICBC and the Company. A summary of the principal terms of the ICBC Subscriptions is set out below:

Term of investment	:	Open or with a specific term ranging from 34 to 92 days
Expected return rate (per annum)	:	1.3% to 4.8%
Type of return	:	Floating
Return calculation	:	Actual return on the product is calculated based on the subscription amount, actual days of investment, and the annualized return rate (subject to the exchange rate-linked derivative products between Euro and USD)
Investment portfolio	:	Bonds, bank deposits and derivative financial instruments
Early termination	:	The Company does not have right of early termination
Payment and return upon maturity	:	Return is paid to the Company on the next business date after the expiry of the relevant subscription agreement. Principal amount is paid to the Company on the expiry date or on the next business day after the expiry of the term of the relevant subscription

FINANCIAL EFFECT OF THE INVESTMENTS

The Company has achieved its expected return of the Investments. During the period from the Listing Date until 20 April 2015, the Company has gained an aggregate amount of RMB20,664,270 from the Investments.

REASONS FOR AND BENEFITS OF THE INVESTMENTS

The Company has all along regarded the Investments as part of its treasury activities to fully utilise its surplus cash with a view to achieving stable yields at returns higher than depositing at commercial banks (As at the date of this announcement, the current saving deposit rate published by the People's Bank of China is 0.35% per annum). The Investments are low risk and provide reasonable return on surplus fund whilst maintaining liquidity. Insofar as the BOCOM Structured Deposits and the ICBC Structured Deposits are concerned, the Company considers that they were akin to cash deposits but with higher guaranteed return to the Company. The Investments have been closely monitored by the Company and have so far achieved the expected return of the Investments and generated positive stable return for the Company. Further, the Company has never incurred any loss from the Investments.

The Directors are of the view that the Investments provided the Group with a good investment opportunity to expand its investment portfolio with satisfactory return. The Directors (including the independent non-executive Directors) are therefore of the view that each Investment is fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group is specialised in delivering payment system platform, embedded software & secure products, personalisation service, card-issuance system, multi-application terminal and customised solutions, covering a wide business range of financial, social security, healthcare, transportation, retails, mobile payment, identities and third party payment. The Company is the exclusive secure payment products supplier in Mainland China, which is certified by all six of the world leading credit card organisations of China UnionPay, VISA, MasterCard, American Express, JCB and Diners' Club.

ICBC is a bank licensed and incorporated under the laws of the PRC. ICBC also acts as the fund trustee of the Guangfa Fund. To the best knowledge, information and belief of the Directors, ICBC and its ultimate beneficial owners are Independent Third Parties. The principle business of ICBC includes the provision of corporate banking services to its customers.

BOCOM is a bank licensed and incorporated under the laws of the PRC. To the best knowledge, information and belief of the Directors, BOCOM and its ultimate beneficial owners are Independent Third Parties. The principle business of BOCOM includes the provision of corporate banking services to its customers.

Guangfa Fund Management Company Limited is the fund supervisor of the Guangfa Fund. To the best knowledge, information and belief of the Directors, Guangfa Fund Management Company Limited and its ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

During the period from the Listing Date until the date of this announcement, the transactions under the Guangfa Investments, when aggregated together pursuant to Rule 14.22 of the Listing Rules, constituted a major transaction, which should have been subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

The BOCOM Subscriptions and the ICBC Subscriptions, when respectively aggregated pursuant to Rule 14.22 of the Listing Rules, constituted a discloseable transaction and should have been subject to the reporting and announcement requirements under the Listing Rules.

Given that the transactions mentioned in this announcement have taken place, no circular will be despatched to Shareholders and no general meeting of the Company will be convened for the purposes of considering and approving the abovementioned transactions.

Further, Goldpac International (Holding) Limited (representing approximately 42.66% of the issued shares of the Company as at the date of this Announcement) has given its written approval in respect of each of the transactions mentioned in this announcement.

The Company honestly but mistakenly believed that the Investments, being treasury activities carried out in its ordinary and usual course of business and in particular, the structured deposits were akin to cash deposits in banks, did not fall within the ambit of Chapter 14 of the Listing Rules. In particular, the Company would like to stress that it had properly disclosed information relating to the Investments in its Prospectus and financial reports, and that it never had any intention to withhold any information relating to the Investments.

REMEDIAL ACTIONS

The Company admits and deeply regrets that it had not complied with the notifiable transaction requirements under Chapter 14 in relation to the Investments in a timely manner (“**Non-Compliance**”). As immediate remedial actions:

- (a) as soon as the Company became aware of its Non-Compliance, the Company had instructed its relevant departments to immediately review all its past investment records. As at the date of this Announcement, all of the Investments except 工商銀行保本型法人穩利人民幣理財產品 (being one of the ICBC Structured Deposits) had been realized or otherwise redeemed. As at the date of this announcement, the balance of the Company's investments in ICBC Structured Deposits is RMB50 million;
- (b) the Company has, through its Hong Kong legal advisers, reported its Non-Compliance to the Stock Exchange;
- (c) the Company has published this announcement disclosing its Non-Compliance; and

(d) the Company has obtained written approval from Goldpac International (Holding) Limited (representing approximately 42.66% of the issued shares of the Company as at the date of this Announcement) in respect of each of the transactions mentioned in this announcement.

To prevent the occurrence of similar inadvertent omission in the future, the Company will take the following measures:

- (i) designate the Internal Control Department of the Company to consider, *inter alia*, (a) the investment size (both individually and aggregated in accordance with the Listing Rules) and (b) the estimated return of the investment, determine whether any disclosure or other compliance requirements under the Listing Rules are required, and submit its assessment to the Chief Financial Officer and the treasury management committee, who will then review and approve the proposed investment, and if necessary, take compliance actions;
- (ii) seek external legal or other professional advice to confirm, where it considers necessary, whether a transaction of the Company has to comply with relevant disclosure or other compliance requirements under the Listing Rules; and
- (iii) arrange for its directors and senior management to attend training which, in particular, includes identification of notifiable transactions, corporate governance matters, compliance with the Listing Rules and updates of any change in the Listing Rules, to be provided by the Company's professional advisers or other external recognized institutions on a regular basis.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise.

“BOCOM”	Bank of Communications Co., Ltd
“BOCOM Structured Deposits”	“蘊通財富•日增利”, an investment product offered by BOCOM
“Board”	the board of Directors
“Company”	Goldpac Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Euro”	the lawful currency of the European Union
“Group”	the Company and its subsidiaries from time to time
“Guangfa Fund”	Guangfa Money Market Fund (廣發貨幣市場基金)

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“ICBC”	Industrial and Commercial Bank of China Limited
“ICBC Structured Deposits”	the following structured deposits offered by ICBC: (i) “工商銀行結構性存款—無固定期限”; (ii) “工商銀行結構性存款—專戶型”; and (iii) “工商銀行保本型法人穩利人民幣理財產品”
“Independent Third Parties”	third parties independent of the Company and its connected persons
“Investment(s)”	the Guangfa Investment, the BOCOM Subscription and the ICBC Subscription (together, the “Investments” and each an “Investment”)
“Listing Date”	4 December 2013, being the date of listing of the Company’s shares on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mainland China”	Mainland of the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the Mainland China
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	United States Dollars, the lawful currency of the United States
“%”	per cent

By Order of the Board
Goldpac Group Limited
Lu Run Ting
Chairman and Executive Director

Hong Kong, 14 May 2015

As at the date of this announcement, the executive Directors of the Company are Mr. Lu Run Ting, Mr. Hou Ping, Mr. Lu Runyi and Mr. Lu Xiaozhong; the non-executive Directors of the Company are Mr. Christophe Jacques Pagezy and Mr. Ting Tao I; and the independent non-executive Directors of the Company are Mr. Mak Wing Sum Alvin, Mr. Zhu Lijun and Mr. Liu John Jianhua.