



GOLDBOND GROUP HOLDINGS LIMITED

金榜集團控股有限公司

(formerly known as Can Do Holdings Limited)

(長發建業有限公司)

(Incorporated in Hong Kong with limited liability)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2003

The Board of Directors (the "Board") of Goldbond Group Holdings Limited (the "Company") announced that the audited consolidated results of the Company and its subsidiary companies (the "Group") for the year ended 31 March 2003 are as follows:

	<i>Note</i>	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Turnover	<i>1</i>	23,175	23,051
Direct outgoings		<u>(322)</u>	<u>(1,772)</u>
Other revenue		22,853	21,279
Other net loss		(2,272)	6,480
Administrative expenses		(5,644)	–
Other operating expenses		(2,668)	(9,445)
Gain on disposal of interest in associates		5,112	(1,106)
Provision for impairment in value of goodwill		–	17,877
Provision for impairment in value of other investments	<i>3</i>	(60,000)	(78,400)
Deficit on revaluation of investment properties		<u>(15,080)</u>	<u>(70)</u>
Loss from operations		(55,170)	(43,385)
Finance costs	<i>4(a)</i>	(15,792)	(31,743)
Share of loss of an associate		–	(3,837)
Loss from ordinary activities before taxation	<i>4</i>	<u>(70,962)</u>	<u>(78,965)</u>
Taxation	<i>5</i>	(1,000)	–
Loss attributable to shareholders		<u>(71,962)</u>	<u>(78,965)</u>
Loss per share – Basic	<i>6</i>	<u>HK\$0.02</u>	<u>HK\$0.04</u>

Notes:

1. TURNOVER

The principal activity of the Group is property development and investment.

Turnover represents the gross rental income derived from the investment properties during the year.

2. SEGMENT REPORTING

The Group's operating results are almost entirely attributable to its property investment activities in Hong Kong. Accordingly, no segmental analysis is provided.

3. PROVISION FOR IMPAIRMENT IN VALUE OF OTHER INVESTMENTS

The provision represents a 100% provision for impairment loss against the Group's 30% equity interest in Power Insight Investments Limited ("Power Insight"). The Directors are of the opinion that a full provision is appropriate after reviewing the status of the planned project and the prevailing market conditions as at the balance sheet date.

4. LOSS FROM ORDINARY ACTIVITIES BEFORE TAXATION

Loss from ordinary activities before taxation is arrived at after charging/(crediting):

	2003	2002
	<i>HKS'000</i>	<i>HKS'000</i>
(a) Finance costs		
Interest on bank loans and other borrowings wholly repayable within five years	9,652	25,150
Interest on bank loans repayable beyond five years	3,140	3,354
Premium paid on redemption of convertible bonds	3,000	-
Refinancing charges	-	3,239
	<u>15,972</u>	<u>31,743</u>
(b) Staff costs (including directors' remuneration)		
- Wages and salaries	1,257	1,379
- Retirement costs	16	-
	<u>1,273</u>	<u>1,379</u>
(c) Other items		
Provision for doubtful debts	2,612	1,106
Auditors' remuneration	390	400
Depreciation	16	-
Rentals receivable from investment properties less direct outgoings of HKS322,000 (2002: HKS1,772,000)	<u>(22,853)</u>	<u>(21,279)</u>

5. TAXATION

(a) Taxation in the consolidated profit and loss account represents:

	2003	2002
	<i>HKS'000</i>	<i>HKS'000</i>
Provision for Hong Kong Profits Tax for the year	<u>1,000</u>	-

The provision for Hong Kong Profits Tax is calculated at 16% (2002: 16%) of the estimated assessable profits for the year.

The potential deferred tax liability attributable to accelerated depreciation allowances has not been provided in the financial statements as the timing differences are not likely to crystallise in the foreseeable future. The potential liability for unprovided deferred taxation for the year amounts to:

	2003	2002
	<i>HKS'000</i>	<i>HKS'000</i>
Depreciation allowances in excess of related depreciation	<u>2,698</u>	<u>2,268</u>

The potential deferred tax asset which represents the tax effect of timing differences due to tax losses available to set off against future assessable profits has not been recognised in the financial statements as its realisation is not assured beyond reasonable doubt.

(b) Taxation in the balance sheet represents:

	2003 HK\$'000	The group 2002 HK\$'000
Provision for Hong Kong Profits Tax for the year	1,000	–
Provisional Profits Tax paid	(50)	–
	<u>950</u>	<u>–</u>

6. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to shareholders for the year of HK\$71,962,000 (2002: HK\$78,965,000), and the weighted average of 3,143,494,000 (2002: 2,159,444,000) ordinary shares in issue during the year, after taking into account the effect of the Open Offer during the year. The weighted average number of ordinary shares in issue for the year ended 31 March 2002 was restated because there was a bonus element resulting from the Open Offer during the year.

The exercise of the subscription rights conferred by the redeemable convertible preference shares and share options would not have any dilutive effect on the loss per share for the years ended 31 March 2002 and 2003.

RESULTS AND DIVIDEND

Turnover for the year ended 31 March 2003 was HK\$23,175,000 (2002: HK\$23,051,000). After taking into account the gain on disposal of interest in associates, provision for impairment in investment properties and other investments, administrative expenses and financial costs, the Group recorded a net loss attributable to shareholders of HK\$71,962,000 (2002: HK\$78,965,000), representing a decrease of 8.9%. Loss per share amounted to HK\$0.02 (2002: HK\$0.04).

The Board does not recommend the payment of a dividend in respect of the year ended 31 March 2003 (2002: Nil).

BUSINESS REVIEW

The principal business of the Group is property development and investment in Hong Kong. The Group also made strategic investments in information technology, logistic and natural gas businesses. During the year, turnover of the Group was mainly contributed by the rental income derived from Golden Plaza, No. 745-747 Nathan Road, Kowloon. Almost all of the total gross floor area of Golden Plaza has been rented.

On 5 August 2002, the Group entered into an agreement for the acquisition of 30% equity interest of Power Insight, the subsidiaries of which are principally engaged in the supply and trading of liquid petroleum gas (“LPG”) in bulk and cylinders, the provision of piped gas and the sales of LPG household appliances in the People’s Republic of China (the “PRC”). Initially Power Insight planned to form a wholly owned foreign enterprise known as Laiyang North East Asia Gas Co., Ltd. (“Laiyang NEA”) in the Shandong Province, the PRC. The consideration of HK\$60,000,000 was settled by way of the issue and allotment of 240,000,000 new ordinary shares of the Company at HK\$0.25 each (the “Consideration Shares”). The acquisition was completed on 23 August 2002 and the Consideration Shares were duly issued and allotted on the same date. As at 31 March 2003, the proposed initial set up of Laiyang NEA was still under review in light of the prevailing market conditions. To adopt a prudent approach, a full provision for impairment loss against the carrying value was made during the year. The Board will closely monitor the performance of this project. Should the market conditions improve and hence the outlook of the project becomes more positive, the Board will consider a reversal of the impairment loss already made.

On 12 August 2002, the Group disposed of its 49% equity interests in Masterful Resources Limited, an investment involving in information technology and logistic businesses, at a consideration of HK\$56,800,000. The consideration was satisfied by the issue and allotment of 284,000,000 ordinary shares of eCyberChina Holdings Limited (“eCyberChina”) at HK\$0.20 each, which represented approximately 9.9% of the enlarged share capital of eCyberChina. The shares of eCyberChina are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The transaction was completed on 5 September 2002 and a gain on disposal of approximately HK\$5,112,000 was recorded during the year.

On 7 January 2003, the Company completed an open offer together with a bonus issue to raise HK\$18,416,000 before expenses by issuing 73,664,000 offer shares at a price of HK\$0.25 per share (the "Offer Shares") on the basis of one Offer Share for every 20 then existing ordinary shares held by the shareholders of the Company (the "Open Offer"). The holders of the Offer Shares received bonus shares on the basis of 24 bonus shares (the "Bonus Shares") for every Offer Share (the "Bonus Issue") subscribed. The net proceeds of approximately HK\$17,500,000 raised were partly used for the repayment of the Group's outstanding indebtedness and the remaining balance was served as general working capital.

During the year, the financial position of the Group has been enhanced after the completion of the Open Offer, which has established a good foundation for the future expansion and development of the Group. The Directors will continue to explore new investment opportunities with earning potentials in Hong Kong and the PRC so as to further diversify its sources of income and to develop its existing business.

FUTURE PLAN

Despite the gloomy economy in Hong Kong, Golden Plaza, being situated in Mongkok with an already established niche market, continued to provide satisfactory results. Looking ahead, occupancy rate of Golden Plaza is expected to remain high.

At the same time, the Board will continue to look for investment opportunities that have earning potentials, with an aim to diversify its sources of income and to develop its existing business. In particular, the Board will focus on companies in Hong Kong and the PRC that either (i) have steady income and positive cashflow, or are in industries whereas the barrier of entry are relatively high; or (ii) are in fast growing industries.

It is the ultimate goal of the Board to make use of the Group's resources to maximise the value of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

For the year under review, the Group recorded a net loss attributable to shareholders of HK\$71,962,000, which was mainly attributable to the provision for impairment in value of investment properties and other investments.

After the completion of the Open Offer and the Bonus Issue, the Group successfully raised net proceeds amounting to approximately HK\$17,500,000 which were used for the repayment of its indebtedness and as general working capital. As at 31 March 2003, the Group had net assets value of HK\$135,491,000 and the cash and bank balances of HK\$13,102,000.

Property rental

Although rental rates in the local investment property sector generally declined in response to the weakening economy during the year under review, the total gross rental income of the Group's investment properties, which are mainly comprised of retail shopping centre located in Mongkok with stable patronage, managed to record a total gross rental income of approximately HK\$23,175,000, representing a slight increase of 0.4% over that recorded in the previous financial year. Average occupancy level of the investment properties of the Group maintained at about 97%.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2003, the Group had outstanding borrowings of HK\$204,600,000, comprising secured bank borrowings of HK\$192,904,000 and loans due to related parties of HK\$11,696,000.

The issuance of 240,000,000 new ordinary shares upon the completion of acquisition of the Group's 30% equity interest in Power Insight, the issuance of 73,664,000 Offer Shares pursuant to the Open Offer and 1,767,936,000 Bonus Shares pursuant to the Bonus Issue and the repayment of Group's indebtedness during the year has enhanced the capital base and the financial position of the Group. The gearing ratio, measured as total liabilities to total assets, improved from 73.7% for the year ended 31 March 2002 to 62.4% for the year ended 31 March 2003.

CAPITAL STRUCTURE

As at 31 March 2003, the number of issued ordinary shares and preference shares of the Company were 3,314,880,000 shares and 684,000,000 shares respectively. During the year, the Company has issued and allotted a total of 2,081,600,000 ordinary shares, which were attributed to:

1. issuance and allotment of 240,000,000 ordinary shares at HK\$0.25 each for the acquisition of 30% equity interest of Power Insight in August 2002; and
2. issuance and allotment of 73,664,000 ordinary shares at HK\$0.25 each pursuant to the Open Offer together with issue of 1,767,936,000 Bonus Shares pursuant to the Bonus Issue in January 2003.

On 11 April 2003, special resolutions were passed at an extraordinary general meeting of the Company to implement a capital reorganisation (the "Capital Reorganisation") which, in summary, involved the following:

- (a) a reduction of the issued ordinary share capital of the Company of HK\$828,720,000 divided into 3,314,880,000 shares of HK\$0.25 each to HK\$33,148,800 divided into 3,314,880,000 shares of HK\$0.01 each and the issued preference share capital of HK\$171,000,000 divided into 684,000,000 preference shares of HK\$0.25 each to HK\$6,840,000 divided into 684,000,000 preference shares of HK\$0.01 each ("Capital Reduction").

The credit of HK\$959,731,200 resulting from the Capital Reduction of the Company will be set off, to the extent permitted by and subject to the conditions imposed by the High Court of Hong Kong Special Administrative Region ("Court"), against the accumulated losses of the Company;

- (b) a sub-division of the authorised but unissued ordinary share of HK\$0.25 each into 25 ordinary shares of HK\$0.01 each ("Share Sub-division");
- (c) an increase of the authorised ordinary share capital of the Company to the original amount of HK\$2,500,000,000, by the creation of not less than 79,557,120,000 new ordinary shares of HK\$0.01 each ("Capital Increase"); and
- (d) the consolidation of 10 ordinary shares of HK\$0.01 each and 10 preference shares of HK\$0.01 each after such capital reduction into one new consolidated share of HK\$0.10 ("Consolidated Shares") and one new consolidated preference share of HK\$0.10 ("Consolidated Preference Shares") respectively (the "Share Consolidation").

Further details of the Capital Reorganisation are also set out in the circular of the Company dated 19 March 2003.

On 25 June 2003, by an order of the Court ("Court Order"), the Capital Reduction was confirmed. Upon filing of the Court Order and minute of the Company with the Companies Registrar, the Capital Reorganisation became effective on 26 June 2003.

With effective from 26 June 2003, the authorised ordinary share capital of the Company immediately after the Capital Reorganisation is HK\$2,500,000,000 comprising 25,000,000,000 Consolidated Shares, of which 331,488,000 Consolidated Shares are in issue. The authorised preference share capital of the Company immediately after the Capital Reorganisation is HK\$6,840,000, comprising 68,400,000 Consolidated Preference Shares, all of them are in issue.

CHARGES ON GROUP'S ASSETS

As at 31 March 2003, the Group's investment properties with an aggregate carrying value of HK\$335,000,000 (2002: HK\$350,000,000) have been pledged to a bank for bank loans.

CONVERTIBLE BONDS

On 5 March 2003, the Group redeemed all the convertible bonds for an aggregate principal amount of HK\$60,000,000 at the redemption amount of HK\$63,000,000 with accrued interest.

EMPLOYMENT AND REMUNERATION POLICIES

At 31 March 2003, the Group's total number of staff was 12. The Group remunerates its employees based on their performance, experience, and prevailing industry practices. The Group has set up share option schemes to its employees linked to individual performances as recognition of and reward for value creation.

The Group operates a defined contribution mandatory provident fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme.

CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of the Stock Exchange during the year ended 31 March 2003, except that the independent non-executive Directors are not appointed for specific terms, but are subject to retirement by rotation and reelection at the annual general meeting of the Company in accordance with the provisions of the Company's Articles of Association.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with management the accounting principles and practices adopted by the Group, together with the review of the financial statements.

ANNUAL GENERAL MEETING

The annual general meeting will be convened on 29 August 2003.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE WEBSITE

The Company's annual report containing all the information required by paragraph 45(1) to 45(3) of Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange in due course.

By order of the Board
Goldbond Group Holdings Limited
Loh Jiah Yee, Katherine
Director

Hong Kong, 28 July 2003

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Goldbond Group Holdings Limited (the “Company”) will be held at Queensway and Victoria Room, Level 3, JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on 29 August 2003 at 3:00 p.m. for the following purposes:

1. To receive and approve the Reports of the Directors and the Auditors together with the Audited Financial Statements for the year ended 31 March 2003;
2. To re-elect directors of the Company (“Directors”) and to authorise the Directors to fix their remuneration;
3. To re-appoint KPMG as the Auditors and to authorise the Directors to fix their remuneration;

And as special business, to consider and, if thought fit, pass with or without modifications, the following resolutions as ordinary and/or special resolutions respectively:

ORDINARY RESOLUTIONS

4. “THAT:

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company, and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power, subject to and in accordance with all applicable laws of Hong Kong and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time (“Listing Rules”), be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to or in consequence of (i) a Rights Issue (as hereafter defined); (ii) an issue of shares of the Company upon the exercise of conversion rights under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; (iii) the exercise of any option under the share option scheme of the Company or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company; (iv) an issue of shares of the Company as scrip dividends or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the Articles of Association of the Company from time to time shall not exceed the aggregate of:
 - (1) 20% of the aggregate nominal amount of the ordinary share capital of the Company in issue at the date of passing of this Resolution; and
 - (2) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the ordinary share capital of the Company in issue at the date of passing of this Resolution),and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and
- (d) for the purpose of this Resolution,
“Relevant Period” means the period from the date of passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) to be held; or

(iii) the date upon which the authority set out in this Resolution is revoked, varied or renewed by way of ordinary resolution of the shareholders in general meeting; and

“Right Issue” means an offer of shares open for a period fixed by the Directors to holders of shares whose names appear on the register of members on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions of obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

5. “**THAT**:

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares in the capital of the Company on the Stock Exchange of Hong Kong Limited (“Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Listing Rules as amended from time to time, and all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of share capital to be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the aggregate nominal amount of the shares of the Company in issue at the date of passing of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) to be held; or
 - (iii) the date upon which the authority set out in this Resolution is revoked, varied or renewed by way of ordinary resolution of the shareholders in general meeting.”

6. “**THAT** subject to the passing of Resolutions 4 above, the general mandate granted to the Directors to allot, issue and deal with unissued shares pursuant to Resolution 4 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 5, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of this Resolution 6.”

7. “**THAT** the share option scheme adopted by the Company at its annual general meeting on 18 September 2002 be and are amended as follows:

Clause 4.4(g)

Existing provision:

“such other terms and conditions of the Offer as may be imposed by the Directors as are not inconsistent with this Scheme; and”

Proposed amendments:

By adding “including (without limitation) in the event that the Eligible Participant is a body corporate, that any material change of the management and/or shareholding of the Eligible Person shall constitute a failure to meet the continuing eligibility criteria of this Scheme” immediately after the words “this Scheme;” and the clause as amended shall be:

“such other terms and conditions of the Offer as may be imposed by the Directors as are not inconsistent with this Scheme, including (without limitation) in the event that the Eligible Participant is a body corporate, that any material change of the management and/or shareholding of the Eligible Person shall constitute a failure to meet the continuing eligibility criteria of this Scheme; and”

Clause 4.4 (i)

Proposed amendments:

By adding a new clause 4.4(i) immediately after clause 4.4(h):

“the manner of payment of the Subscription Price for the Shares upon and in consequence of the exercise of the Option;”

Clause 4.7

Proposed amendments:

By adding “and shall lapse automatically” at the end of clause 4.7 and the clause as amended shall be:

“Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with paragraph 4.5 or 4.6, an Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the date of such acceptance. To the extent that the Offer is not accepted within the time specified in the Offer in the manner indicated in paragraph 4.5 or 4.6, it will be deemed to have been irrevocably declined and shall lapse automatically.”

Clause 6.4(a)

Proposed amendments:

By adding “, failing which the Option shall lapse” at the end of Clause 6.4(a) and the clause as amended shall be:

“if the Grantee is an Eligible Employee and in the event of his ceasing to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the Option in full, his Personal Representative(s) or, as appropriate, the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 6.2 within a period of twelve (12) months following the date of cessation of employment which date shall be the last date on which the Grantee was at work with the Company or the relevant Subsidiary or the Invested Entity whether salary is paid in lieu of notice or not, or such longer period as the Directors may determine or if any of the events referred to in paragraph 6.4(c) or 6.4(d) occur during such period, exercise the Option pursuant to paragraph 6.4(c) or 6.4(d) respectively, failing which the Option shall lapse;”

Clause 6.4(d)

Existing clause:

“in the event of an effective resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time prior to the date on which such resolution is passed, exercise his Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of paragraph 6.3 and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his Option, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution.”

Proposed amendments:

By replacing “at any time” with “not later than four (4) Business Days” and the clause as amended shall be:

“in the event of an effective resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company not later than four (4) Business Days prior to the date on which such resolution is passed, exercise his Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of paragraph 6.3 and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his Option, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution.”

Clause 6.4(e)

Proposed amendments:

By adding a new clause 6.4(e) immediately after clause 6.4(d):

“if the Grantee (not being an Eligible Employee) ceases to be a Director of any member of the Group or any Invested Entity, a supplier, a customer, a person providing research, development or other support, a shareholder of any member of the Group or any Invested Entity, an adviser of, a consultant of or a contractor to any member of the Group, or a joint venture partner or business alliance that co-operate with any member of the Group or any Invested Entity, for any reason other than his death (in the case the Grantee being an individual), the Option (to the extent not already exercised), shall be exercised within three (3) months following the date of such cessation, failing which the Option shall lapse;”

Clause 6.4(f)

Proposed amendments:

By adding a new clause 6.4(f) immediately after the new clause 6.4(e):

“in the event an effective resolution being proposed for a compromise or arrangement between the Company and the shareholders or creditors in connection with a scheme for the reconstruction or amalgamation of the Company, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at a time not later than four (4) Business Days prior to the date on which such resolution is passed, exercise his Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with paragraph 6.3 and the Company shall as soon as possible allot and issue such number of Shares credited as fully paid to the Grantee which falls to be issued on such exercise and registered the Grantee as the holder thereof.”

Clause 7.1(c)

Existing clause:

“in respect of a Grantee who is an Eligible Employee, the date on which the Grantee ceases to be an Eligible Employee by reason of a termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute);”

Proposed amendments:

By adding “or appears either to be unable to pay or to have no reasonable prospect of being able to pay debts when they are due” immediately after “in respect of a Grantee who is an Eligible Employee, the date on which the Grantee ceases to be an Eligible Employee by reason of a termination of his employment on the grounds that he has been guilty of persistent or serious misconduct,” and the clause as amended shall be:

“in respect of a Grantee who is an Eligible Employee, the date on which the Grantee ceases to be an Eligible Employee by reason of a termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay debts when they are due or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute);”

Clause 7.1(d)

Existing clause:

“in respect of a Grantee other than an Eligible Employee, the date on which the Directors shall at their absolute discretion determine that (i) the Grantee or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and the Group on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; and (ii) the Option shall lapse; and”

Proposed amendments:

By substituting the existing clause 7.1(d) with the following new clause 7.1(d) and the new clause 7.1(d) shall be:

“in respect of a Grantee other than an Eligible Employee, the date on which the Grantee or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and the Group on the other part or that the Grantee appears either to be unable to pay or to have no reasonable prospect of being able to pay debts when they are due or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or the Grantee or his associate is subject to any outstanding unsatisfied judgement, order or award; or a petition for bankruptcy or a bankruptcy order has been presented or made against any director of the Grantee in any jurisdiction; and the Option shall lapse; and”

Clause 7.1(f)

Proposed amendments:

By adding a new clause 7.1(f) immediately after clause 7.1(e):

“the date on which the Directors consider that the Grantee fails to meet the continuing eligibility criteria as required, if the Directors have the right to cancel the Options.””

SPECIAL RESOLUTION

8. “THAT the Articles of Association of the Company be and are amended as follows:

Article 1 Interpretation

Proposed amendments:

By adding the definition of “SFO” to the Interpretation under Article 1 and the definition shall be:

“the Securities and Futures Ordinance (Cap. 571 of Laws of Hong Kong), as amended from time to time, and every other act of the legislature of Hong Kong for the time being in force applying to or affecting the Company, its memorandum of association and/or the Articles”

Proposed amendments:

By adding the definition of “recognised clearing house” to the Interpretation under Article 1 and the definition shall be:

“a recognised clearing house within the meaning of Schedule 1 of the SFO or a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted with the permission of the Company on a stock exchange in such jurisdiction”

Article 9

Existing provision:

“Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not except as ordered by Court of competent jurisdiction or as by statute required be bound to recognise any equitable or other claims to or interest in such share on the part of any other person.”

Proposed amendments:

By replacing “ill” with “in” and the article as amended shall be:

“Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not except as ordered by Court of competent jurisdiction or as by statute required be bound to recognise any equitable or other claims to or interest in such share on the part of any other person.”

Article 23 Transfer and Transmission of Shares

Exiting provision:

“Subject to such of the restrictions of these Presents as may be applicable, any Member may transfer all or any of his fully-paid shares by an instrument of transfer in the usual common form or in any other form which the Directors may approve.”

Proposed amendments:

By adding “Such transfer may be under hand or, if the transfer or transferee is a recognised clearing house or its nominee(s), under hand or by machine imprinted signature or by such other manner of execution as the Directors may approve from time to time.” immediately right after “the Directors may approve.” and the article as amended shall be:

“Subject to such of the restrictions of these Presents as may be applicable, any Member may transfer all or any of his fully-paid shares by an instrument of transfer in the usual common form or in any other form which the Directors may approve. Such transfer may be under hand or, if the transfer or transferee is a recognised clearing house or its nominee(s), under hand or by machine imprinted signature or by such other manner of execution as the Directors may approve from time to time.”

Article 26 Transfer and Transmission of Shares

Existing provision:

“The Directors may decline to register any transfer of share not being fully paid shares to a person of whom they do not approve, any may also decline to register any transfer of shares on which the Company has a lien.”

Proposed amendments:

By adding “If the Directors refuse to register a transfer they shall within two months after the date on which the transfer was lodged with the Company send to the transferor and the transferee notice of the refusal.” and the article as amended shall be:

“The Directors may decline to register any transfer of share not being fully paid shares to a person of whom they do not approve, any may also decline to register any transfer of shares on which the Company has a lien. If the Directors refuse to register a transfer they shall within two months after the date on which the transfer was lodged with the Company send to the transferor and the transferee notice of the refusal.”

Article 35A Disfranchisement of Shares

Proposed amendments:

By deleting the Article sets out below:

“Where a notification is served by the Company under section 18 of the Securities (Disclosure of Interests) Ordinance 1988 on a person who is or was interested in shares of the Company and that person fails to give the Company any information required by the notification within the time specified in it, the Directors may direct that such shares be subject to the following restrictions:

- (a) any transfer of those shares or, in the case of unissued shares, any transfer of the right to be issued with them, and any issue of such shares is void;
- (b) no voting rights are exercisable in respect of the shares after a period of 42 days has elapsed since the service of the notification;
- (c) no further shares shall be issued in right of them or in pursuance of any offer made to their holder; and
- (d) except in a liquidation, no payment shall be made of any sums due from the Company on the shares, whether in respect of capital or otherwise.”

Article 35B

Proposed amendments:

By renumbering the existing Article 35B as Article 35A.

Article 80A

Proposed amendments:

By adding a new Article 80A immediately after Article 80:

“Where a member of the Company is a recognised clearing house or its nominee, it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any general meeting of the Company or any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation or proxy form shall specify the number and class of shares in respect of which each such person is so authorised. The person so authorised shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) which he represents as that clearing house (or its nominee(s)) would be entitled to exercise as if such person were an individual member of the Company including the right to vote individually on a show of hands.”

Article 107(b) Proceedings of Directors

Existing provision:

“Directors may participate in any meeting of the Board by means of a conference telephone or other coirununication equipment through which all persons participating in the meeting can communicate with each other and such participation shall constitute presence at a meeting as if those participating were present in person provided that a memorandum of the meeting and the resolutions passed thereat is signed by each of the participating Directors in manner set out in Article115 and deposited with the Secretary within two (2) weeks of the date of the meeting.”

Proposed amendments

By replacing the word “coirununication” with the word “communication” and the article as amended shall be:

“Directors may participate in any meeting of the Board by means of a conference telephone or other communication equipment through which all persons participating in the meeting can communicate with each other and such participation shall constitute presence at a meeting as if those participating were present in person provided that a memorandum of the meeting and the resolutions passed thereat is signed by each of the participating Directors in manner set out in Article115 and deposited with the Secretary within two (2) weeks of the date of the meeting.”

Article 121(e) Disqualification of Directors

Existing provision:

“If he becomes prohibited from being a Director by reason of any order made under Section 223 or 275 of the Ordinance.”

Proposed amendments:

By replacing “Section 223 or 275” with “Part IVA” and the article as amended shall be:

“If he becomes prohibited from being a Director by reason of any order made under Part IVA of the Ordinance”

Article 131 Accounts

Existing provision:

“The book of account shall be kept at the Registered Office or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Director. inspection.”

Proposed amendments:

By deleting the word “inspection” immediately after “the Director.”.

Article 133 Accounts

Existing provision:

"A copy of every balance sheet and profit and loss account, including every document required by law to be annexed thereto, which is to be laid before the Company in General Meeting, together with a copy of the Auditors' report, shall be sent to each person entitled thereto in accordance with the requirements with the Companies Ordinance, and copies shall also be sent in appropriate numbers to The Stock Exchange of Hong Kong Limited in accordance with the terms of any listing agreement for the time being binding on the Company or with the continuing obligations binding on the Company or with the continuing obligations binding on the Company by virtue of any listing."

Proposed amendments:

By adding "either (i)" immediately after "A copy of" and adding the phrase "or (ii) the summary of the financial report" immediately after "the Auditors' report" and replace "Companies Ordinance" with "Ordinance" and the article as amended shall be:

"A copy of either (i) every balance sheet and profit and loss account, including every document required by law to be annexed thereto, which is to be laid before the Company in General Meeting, together with a copy of the Auditors' report or (ii) the summary of the financial report, shall be sent to each person entitled thereto in accordance with the requirements with the Ordinance, and copies shall also be sent in appropriate numbers to The Stock Exchange of Hong Kong Limited in accordance with the terms of any listing agreement for the time being binding on the Company or with the continuing obligations binding on the Company or with the continuing obligations binding on the Company by virtue of any listing."

9. To transact any other ordinary business.

By Order of the Board
Goldbond Group Holdings Limited
Chan Lai Yin, Tommy
Company Secretary

Hong Kong, 28 July 2003

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and on a poll, vote on his behalf. A proxy need not be a member of the Company.
2. In order to be valid, the proxy form, together with any power of attorney or any authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the Company's Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting or any adjournment thereof.
3. With reference to Resolution 5 above, the explanatory statement containing the information relating to the repurchase of shares, as required by the Listing Rules, will be dispatched to shareholders of the Company.

Please also refer to the published version of this announcement in The Standard dated on 29-07-2003.