GOLDBOND GROUP HOLDINGS LIMITED
金榜集團控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock code: 00172)

PRELIMINARY ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2008

The board of directors (the "Board") of Goldbond Group Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2008 together with comparative figures for the corresponding year in 2007.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
Continuing operations			
Turnover	3	**226,598**	24,876
Other income		**25,794**	5,391
Change in fair value of derivative component of convertible note		**14,463**	–
Gain on disposal of associates		**25,364**	–
Staff costs		**(48,131)**	(30,281)
Other operating expenses		**(56,857)**	(23,521)
Share of profits of associates		**4,218**	6,061
Finance costs	5	**(22,569)**	(20,508)
Profit (loss) before taxation	6	**168,880**	(37,982)
Taxation	7	**(12,794)**	(466)
Profit (loss) for the year from continuing operations		**156,086**	(38,448)
Discontinued operation			
Profit for the year from discontinued operation	6 & 8	**25,330**	87,151
Profit for the year		**181,416**	48,703
Attributable to:			
Equity holders of the parent		**180,228**	48,703
Minority interests		**1,188**	–
		181,416	48,703
Earnings (loss) per share	9		
From continuing and discontinued operations			
– Basic		**7.82 cents**	2.93 cents
– Diluted		**7.11 cents**	N/A
From continuing operations			
– Basic		**6.72 cents**	(2.31) cents
– Diluted		**6.15 cents**	N/A

CONSOLIDATED BALANCE SHEET

As at 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
Non-current assets			
Plant and equipment		**9,491**	4,953
Consideration receivable from disposal of associates		**12,465**	–
Interest in associates		**–**	41,599
Goodwill		**103,686**	–
Intangible assets		**2,459**	–
Loan receivables		**124,954**	–
Club debentures		**16,181**	3,000
		269,236	49,552
Current assets			
Amount due from associate		**–**	8
Properties held for sale		**8,802**	8,010
Debtors, advances provided to customers, prepayments and deposits	*10*	**722,846**	110,431
Security deposits		**67,097**	37,969
Pledged deposits		**–**	24,076
Bank balances and cash		**429,592**	46,392
		1,228,337	226,886
Non-current assets classified as held for sale		**15,000**	634,849
		1,243,337	861,735
Current liabilities			
Loans from a related company		**–**	48,143
Amounts due to minority shareholders		**–**	21,047
Other payables and accrued charges		**132,303**	70,605
Taxation		**10,460**	631
Bank and other borrowings – amount due within one year		**109,890**	81,050
Convertible notes		**–**	97,038
Liabilities arising from financial guarantee contracts	*11*	**4,043**	2,413
		256,696	320,927
Liabilities associated with non-current assets classified as held for sale		**15,000**	160,270
		271,696	481,197
Net current assets		**971,641**	380,538
		1,240,877	430,090

Capital and reserves		
Share capital	**259,796**	167,444
Reserves	**777,102**	246,746
Equity attributable to equity holders of the Company	**1,036,898**	414,190
Minority interests	**77,045**	–
Total equity	**1,113,943**	414,190
Non-current liabilities		
Bank and other borrowings – amount due after one year	**–**	10,000
Convertible notes	**125,356**	–
Redeemable convertible preference shares	**1,578**	1,373
Deferred taxation	**–**	4,527
	126,934	15,900
	1,240,877	430,090

1. BASIS OF PREPARATION

The financial results have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations ("INTs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the Hong Kong Companies Ordinance. The financial results also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

Scope of work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated balance sheet, consolidated income statement and the related notes thereto for the year ended 31 March 2008 as set out in this preliminary announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new HKFRSs, amendments of HKASs and INTs issued by the HKICPA, which are either effective for the Company's financial year beginning on 1 April 2007. The adoption of the following new HKFRSs has no material effect on how the results and financial position for the current and prior accounting periods have been prepared and presented. Accordingly, no prior year adjustment has been required.

HKAS 1 (Amendment)	Capital disclosures
HKFRS 7	Financial instruments: Disclosures
HK(IFRIC)* – INT 7	Applying the restatement approach under HKAS 29 "Financial Reporting in Hyperinflationary Economies"
HK(IFRIC) – INT 8	Scope of HKFRS 2
HK(IFRIC) – INT 9	Reassessment of embedded derivatives
HK(IFRIC) – INT 10	Interim financial reporting and impairment
HK(IFRIC) – INT 11	HKFRS 2 – Group and Treasury Share Transactions

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards, amendment or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of financial statements [1]
HKAS 23 (Revised)	Borrowing costs [1]
HKAS 27 (Revised)	Consolidated and separate financial statements [2]
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation [1]
HKFRS 2 (Amendment)	Vesting conditions and cancellations [1]
HKFRS 3 (Revised)	Business combinations [2]
HKFRS 8	Operating segments [1]
HK(IFRIC) – INT 12	Service concession arrangements [3]
HK(IFRIC) – INT 13	Customer loyalty programmes [4]
HK(IFRIC) – INT 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction [3]

The adoption of HKFRS 3 (revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards and interpretations will have no material impact on the results and the financial position of the Group.

[1] Effective for annual periods beginning on or after 1 January 2009.
[2] Effective for annual periods beginning on or after 1 July 2009.
[3] Effective for annual periods beginning on or after 1 January 2008.
[4] Effective for annual periods beginning on or after 1 July 2008.

* IFRIC represents the International Financial Reporting Interpretations Committee.

3. TURNOVER

Turnover represents the financial service income arising on provision of loan guarantee services, financing services, and investment consultancy, financial consultancy and management services in the People's Republic of China other than Hong Kong (the "PRC"), and the gross rental income derived from the investment properties situated in Hong Kong.

	2008	2007
	HK$'000	*HK$'000*
Continuing operations		
Loan guarantee services income	**128,025**	15,085
Financing services income	**54,397**	9,791
Investment consultancy, financial consultancy and management services income	**44,176**	–
	226,598	24,876
Discontinued operation		
Gross rental income	**2,792**	34,778
	229,390	59,654

4. SEGMENT INFORMATION

Business segments

The Group comprises the following main business segments:

(a) Provision of loan guarantee services;

(b) Provision of financing services;

(c) Provision of investment consultancy, financial consultancy and management services; and

(d) Property leasing and development.

An analysis of the Group's turnover and results by business segments is as follows:

	Continuing operations								Discontinued operation			
	Loan guarantee services		Financing services		Consultancy and management services		Total		Property leasing and development		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**128,025**	15,085	**54,397**	9,791	**44,176**	–	**226,598**	24,876	**2,792**	34,778	**229,390**	59,654
Change in fair value of investment properties	**–**	–	**–**	–	**–**	–	**–**	–	**–**	66,300	**–**	66,300
Segment results	**75,653**	(27,971)	**18,542**	2,254	**43,045**	–	**137,240**	(25,717)	**1,025**	92,395	**138,265**	66,678
Gain on disposal of property leasing and development business							**–**	–	**25,109**	–	**25,109**	–
Investment income							**24,305**	2,172	**228**	1,301	**24,533**	3,473
Gain on disposal of associates					**25,364**	–	**25,364**	–	**–**	–	**25,364**	–
Change in fair value of derivative component							**14,463**	–	**–**	–	**14,463**	–
Unallocated corporate income (expenses)							**(28,638)**	(11,381)	**5**	(7,346)	**(28,633)**	(18,727)
Finance costs							**(8,072)**	(9,117)	**(685)**	(8,207)	**(8,757)**	(17,324)
Share of profits of associates					**4,218**	6,061	**4,218**	6,061	**–**	–	**4,218**	6,061
Share of losses of jointly controlled entities							**–**	–	**(772)**	(1,982)	**(772)**	(1,982)
Profit (loss) before taxation							**168,880**	(37,982)	**24,910**	76,161	**193,790**	38,179
Taxation							**(12,794)**	(466)	**420**	10,990	**(12,374)**	10,524
Profit (loss) for the year							**156,086**	(38,448)	**25,330**	87,151	**181,416**	48,703

An analysis of the Group's other information by business segments is as follows:

	Continuing operations										Discontinued operation			
	Loan guarantee services		Financial services		Consultancy and management services		Unallocated		Total		Property leasing and development		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other information:														
Capital additions of plant and equipment	**5,318**	880	**182**	160	**–**	–	**2,184**	–	**7,684**	1,040	**–**	14	**7,684**	1,054
Goodwill from acquisition of additional interest in a subsidiary	**–**	–	**103,686**	–	**–**	–	**–**	–	**103,686**	–	**–**	–	**103,686**	–
Intangible assets acquired	**–**	–	**2,747**	–	**–**	–	**–**	–	**2,747**	–	**–**	–	**2,747**	–
Amortisation of intangible assets	**–**	–	**288**	–	**–**	–	**–**	–	**288**	–	**–**	–	**288**	–
Depreciation of plant and equipment	**2,271**	1,701	**82**	18	**55**	–	**449**	–	**2,857**	1,719	**4**	7	**2,861**	1,726
Loss on disposal of plant and equipment	**188**	27	**–**	–	**–**	–	**131**	–	**319**	27	**–**	–	**319**	27
Allowance for debtors and loans	**(100)**	312	**12,228**	–	**–**	–	**–**	–	**12,128**	312	**7**	–	**12,135**	312

5. FINANCE COSTS

	Continuing operations		Discontinued operation		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest on borrowings						
– wholly repayable within five years	**14,583**	12,195	**–**	–	**14,583**	12,195
– not wholly repayable within five years	**–**	–	**685**	8,207	**685**	8,207
Interest on convertible notes	**7,781**	8,134	**–**	–	**7,781**	8,134
Interest on redeemable convertible preference shares	**205**	179	**–**	–	**205**	179
	22,569	20,508	**685**	8,207	**23,254**	28,715

6. PROFIT (LOSS) BEFORE TAXATION

	Continuing operations		Discontinued operation		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Profit (loss) before taxation has been arrived at after charging:						
Staff costs	**36,939**	26,563	**125**	593	**37,064**	27,156
Staff's retirement benefits scheme contributions	**1,573**	1,422	**–**	19	**1,573**	1,441
Equity-settled share based payment expenses	**9,619**	2,296	**–**	42	**9,619**	2,338
Total staff costs (including directors' remuneration)	**48,131**	30,281	**125**	654	**48,256**	30,935
Allowance for debtors and loans	**12,128**	312	**7**	–	**12,135**	312
Amortization of intangible assets (included in other operating expenses)	**288**	–	**–**	–	**288**	–
Depreciation of plant and equipment	**2,857**	1,719	**4**	7	**2,861**	1,726
Loss on disposal of plant and equipment	**319**	27	**–**	–	**319**	27
Operating lease rentals in respect of properties	**8,174**	5,344	**–**	–	**8,174**	5,344
and after crediting:						
Change in fair value of investment properties	**–**	–	**–**	66,300	**–**	66,300
Gain on disposal of associates	**25,364**	–	**–**	–	**25,364**	–
Gain on disposal of property leasing and development business	**–**	–	**25,109**	–	**25,109**	–
Interest income	**24,305**	1,869	**228**	1,301	**24,533**	3,170
Rental income from investment properties less direct outgoings of HK$487,000 (2007: HK$6,157,000)	**–**	–	**2,305**	28,621	**2,305**	28,621

7. TAXATION

	Continuing operations		Discontinued operation		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
The charge (credit) comprises:						
Current tax						
Hong Kong Profits Tax						
– Provision for current year	**–**	–	**4,046**	1,500	**4,046**	1,500
– Under(over)provision in prior years	**–**	–	**61**	(17)	**61**	(17)
PRC Enterprise Income Tax	**12,794**	466	**–**	–	**12,794**	466
	12,794	466	**4,107**	1,483	**16,901**	1,949
Deferred taxation	**–**	–	**(4,527)**	(12,473)	**(4,527)**	(12,473)
	12,794	466	**(420)**	(10,990)	**12,374**	(10,524)

Hong Kong Profits Tax is calculated at 17.5% (2007: 17.5%) of the estimated assessable profit for the year.

PRC Enterprise Income Tax has been provided at the rates prevailing in the respective jurisdictions.

On 16 March 2007, the PRC promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the People's Republic of China. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate to 25% for certain subsidiaries from 1 January 2008.

8. DISCONTINUED OPERATION

In February 2007, the Group entered into sale and purchase agreements with an independent third party to dispose of the investment properties (the "Transactions"). The Transactions were completed in May 2007. The details of the Transactions are disclosed in the circular dated 28 March 2007 issued by the Company.

According to the sale and purchase agreements of the Transactions, upon the completion of the Transactions, Apex Honour Limited procured that Perfect Manor Limited (as licensee) (the "Licensee"), the Company (as guarantor) and the purchaser (as licensor) (the "Licensor") to enter into the licence agreement ("Licence Agreement"), as annexed to the sale and purchase agreements, pursuant to which the Licensor will lease to and the Licensee will lease certain areas of the exterior wall (the "Licensed Area") from the Licensor at a monthly licence fee of HK$108,333 for the first 12 months, payable in advance in one total sum of HK$1,300,000 upon signing of this Licence Agreement, commencing from the date of signing of the Licence Agreement (the "First Year Term") and at a monthly licence fee of HK$119,166 for the next 12 months, payable in advance on the first day of each calendar month, following the First Year Term (the "Second Year Term"). Apex Honour Limited and Perfect Manor Limited are wholly owned subsidiaries of the Company.

Pursuant to the Licence Agreement, the Licensee will perform its duty under the Licence Agreement to install and maintain new signs and signage on the Licensed Area for advertising purpose in such format and structure to the satisfaction of the Purchaser and obtain all necessary approvals from relevant regulatory authorities (the "Installation"). Upon expiry of the First Year Term and in the event that the Installation has been completed, the Licence Agreement will terminate accordingly. During the Second Year Term, the Licensee will have the right to terminate the Licence Agreement by giving the Licensor a 60 days' prior written notice at any time after the completion of the Installation.

In addition, (i) upon expiry of the Second Year Term if the Installation has not been completed or (ii) at anytime when the Licensee is in breach of the Licence Agreement and at the time of such breach, the Installation has not been completed, the Licensor shall have the right to require the Licensee to purchase the Licensed Area, the Upper Wall and the Lower Wall, from the Licensor at a total consideration of HK$15,000,000 (the "Put Option"). In the opinion of the directors, the Installation is expected to be completed within one year from 31 March 2008 and exercise of the Put Option is remote.

Since the above condition has not been fulfilled up to 31 March 2008, the disposal of the exterior walls was not yet completed. The exterior wall was classified as assets classified as held for sale.

In March 2007, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire interest in a subsidiary, Sino Dynasty Investments Limited (the "Disposal"). Sino Dynasty Investments Limited maintained a 25% interest in both Nanjing City Plaza Construction Co., Ltd. and Ace Intelligent Consultants Limited. The Disposal was completed in June 2007. The details of the Disposal are disclosed in the circular dated 19 April 2007 issued by the Company.

As a result of the above Transactions and Disposal, the property leasing and development business is classified as a discontinued operation.

The major classes of assets and liabilities comprising the property leasing and development business as at 31 March 2008 are as follows:

	2008	2007
	HK$'000	*HK$'000*
Assets classified as held for sale		
Investment properties	**15,000**	525,000
Interest in jointly controlled entities	**–**	96,971
Amount due from a jointly controlled entity	**–**	12,878
	15,000	634,849
Liabilities associated with assets classified as held for sale		
Bank borrowings	**–**	151,006
Other payables and accrued charges	**15,000**	8,747
Liabilities arising from financial guarantee contracts	**–**	517
	15,000	160,270

Notes:

(a) The fair values of the Group's investment properties at 31 March 2008 and 2007 have been arrived at on the basis of a valuation carried out on that date by Knight Frank Petty Limited ("Knight Frank"), independent qualified professional valuers not connected with the Group. Knight Frank are members of the Institute of Valuers, and have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation was performed on an open market value basis by reference to the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

(b) The investment properties are situated in Hong Kong and are held under long leases.

The profit for the year from the discontinued operation is analysed as follows:

	2008	2007
	HK$'000	*HK$'000*
(Loss)profit of property leasing and development business before taxation	**(199)**	76,161
Gain on disposal of property leasing and development business	**25,109**	–
Profit before taxation	**24,910**	76,161
Taxation	**420**	10,990
Profit for the year	**25,330**	87,151

The results of the property leasing and development business are as follows:

	2008	2007
	HK$'000	*HK$'000*
Turnover	**2,792**	34,778
Direct outgoings	**(487)**	(6,157)
Other income	**538**	1,483
Change in fair value of investment properties	**–**	66,300
Other operating expenses	**(1,585)**	(10,054)
Share of losses of jointly controlled entities	**(772)**	(1,982)
Finance costs	**(685)**	(8,207)
(Loss) profit before taxation	**(199)**	76,161
Taxation	**420**	10,990
Profit for the year	**221**	87,151

During the year, the property leasing and development business contributed HK$1,258,000 (2007: HK$20,050,000) to the Group's net operating cash flows, and utilised HK$685,000 (2007: HK$8,207,000) in respect of financing activities.

The net assets at the dates of Transactions and Disposal were as follows:

	HK$'000
Net assets disposed of	
Investment properties	510,000
Interest in jointly controlled entities	96,199
Amount due from a jointly controlled entity	13,086
Liabilities arising from financial guarantee contracts	(480)
Realisation of translation reserve	(3,591)
Expenses incurred	6
	615,220
Gain on disposal	25,109
Total consideration satisfied by cash	640,329

9. EARNINGS (LOSS) PER SHARE

From continuing and discontinued operations

The calculation of basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

	2008	2007
	HK$'000	*HK$'000*
Earnings:		
Earnings for the purpose of basic earnings per share (profit for the year attributable to equity holders of the parent)	**180,228**	48,703
Effect of dilutive potential ordinary shares:		
Interest on convertible notes	**7,781**	
Earnings for the purpose of diluted earnings per share	**188,009**	
Number of shares:	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,303,701**	1,662,944
Effect of dilutive potential ordinary shares:		
Share options	**62,149**	
Convertible notes	**278,299**	
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,644,149**	

The diluted earnings per share for the year ended 31 March 2007 was not presented as the conversion of the convertible notes and share options would increase the loss per share from continuing operations.

From continuing operations

The calculation of basic and diluted earnings (loss) per share from continuing operations attributable to the ordinary equity holders of the parent entity is based on the following data:

	2008	2007
	HK$'000	*HK$'000*
Earnings:		
Profit for the year attributable to equity holders of the parent	**180,228**	48,703
Less: Profit for the year from discontinued operation	**(25,330)**	(87,151)
Earnings (loss) for the purpose of basic earnings per share from continuing operations	**154,898**	(38,448)
Effect of dilutive potential ordinary shares:		
Interest on convertible notes	**7,781**	
Earnings for the purpose of diluted earnings per share from continuing operations	**162,679**	

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

The diluted earnings per share for the year ended 31 March 2007 was not presented as the conversion of the convertible notes and share options would increase the loss per share from continuing operations.

From discontinued operation

Basic earnings per share and diluted earnings per share from discontinued operation are HK1.10 cents (2007: HK5.24 cents) and HK0.96 cents (2007: Nil) respectively, based on the profit for the year from the discontinued operation of HK$25,330,000 (2007: HK$87,151,000) and denominators detailed above for both basic and diluted earnings per share.

The diluted earnings per share for the year ended 31 March 2007 was not presented as the conversion of the convertible notes and share options would increase the loss per share from continuing operations.

10. DEBTORS, ADVANCES PROVIDED TO CUSTOMERS, PREPAYMENTS AND DEPOSITS

	2008	2007
	HK$'000	*HK$'000*
Debtors and advances provided to customers	**84,288**	19,658
Loan receivables	**582,666**	72,432
	666,954	92,090
Advances to employees	**30,391**	9,400
Prepayments, deposits and other receivables	**25,501**	8,941
	722,846	110,431

Included in debtors, advances provided to customers, prepayments and deposits are trade debtors and advances provided to customers and loan receivables with the following aging analysis as of the balance sheet date:

	2008	2007
	HK$'000	*HK$'000*
Outstanding balances aged:		
– within one month	**257,308**	87,627
– more than one month but less than three months	**166,861**	3,888
– more than three months	**242,785**	575
	666,954	92,090

11. LIABILITIES ARISING FROM FINANCIAL GUARANTEE CONTRACTS

	2008	2007
	HK$'000	*HK$'000*
For outsiders	**4,043**	2,413
For jointly controlled entities	**–**	517
	4,043	2,930
Less: Transfer to liabilities associated with non-current assets classified as held for sale	**–**	(517)
	4,043	2,413

As at 31 March 2008, the Group provided financial guarantees of RMB1,276,074,000 equivalent to approximately HK$1,402,279,000 (2007: RMB822,726,000 equivalent to approximately HK$822,726,000) to customers under the financial service business. Liabilities arising from the financial guarantee business represent the management's best estimate of the Group's liability based on prior experience and default history of the business.

In July 2004, the Company granted a guarantee of US$3,750,000, equivalent to approximately HK$29,250,000 in respect of banking facilities granted to a jointly controlled entity. With the completion of the Disposal during the year as detailed in Note 8, the Group's obligation as guarantor was released.

In May 2005, the Company entered into funding, allocation and distribution agreements in respect of a bank loan of RMB148,977,000, equivalent to approximately HK$148,977,000 borrowed by a jointly controlled entity. Pursuant to such agreements, the Company has taken on the funding undertaking and buy-back undertakings, details of which were set out in the Company's circular dated 14 June 2005. All these undertakings were in aggregate subject to a maximum of 16.7% of the outstanding amounts and any other associated costs from time to time in respect of such loan, under which the Company would, pursuant to the agreements, purchase the residential units in the North Tower of Phase I of Nanjing International Center at RMB5,000 per square meter or, if required by the bank, and arrange a refinancing facility. With the completion of the Disposal during the year as detailed in Note 8, the Group's obligation under those agreements was released.

12. CAPITAL COMMITMENTS

At the balance sheet date, the following capital commitments exist:

	2008	2007
	HK$'000	*HK$'000*
Contracted for but not provided in the consolidated financial statements		
– acquisition of plant and equipment	**–**	243
– acquisition of intangible asset	**–**	500
	–	743
THE GROUP'S SHARE OF CAPITAL COMMITMENTS OF A JOINTLY CONTROLLED ENTITY		
Contracted for but not provided in the consolidated financial statements		
– construction of properties under development	**–**	114,710
	–	115,453

13. DIVIDEND

No dividend was paid or proposed during 2008, nor has any dividend been proposed since the balance sheet date (2007: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

2007/08 is a prosperous year for the Group. After the completion of the disposal of Golden Plaza, Nanjing City Plaza Construction Co. Limited ("NCPC") and Goldbond Capital Holdings Limited ("Goldbond Capital"), the Group has concentrated its resources on bridge finance and guarantee business through the Group's 71% owned subsidiary, Rongzhong Group Limited ("Rongzhong"). During the year, the Group established its Business Consultancy Division which provides services in project finance, project consultancy, management of distressed assets, direct investment and property investment in the PRC. In September 2007, Famous Apex Limited ("Famous Apex"), a wholly owned subsidiary of the Company, entered into two loan agreements with Zhuhai Poly Sanhao Company Limited[#] ("Poly Sanhao") and Worldpro International Investment Limited ("Worldpro"), pursuant to which Famous Apex conditionally agreed to make available term loans of RMB100 million and RMB15 million to Poly Sanhao and Worldpro respectively. The loans were fully drawn in January 2008 and collectively provide the Group with a potential investment return of over 33% per annum for a term of three years.

[#] *For identification purpose only.*

Results and dividend

Turnover of the Group for the year ended 31 March 2008 was approximately HK$229,390,000 (including the turnover relating to discontinued operation) (2007: HK$59,654,000), an increase of 285% over last year. The increase was mainly due to the increase in income from consumer/SME finance business and income from loans to Poly Sanhao and Worldpro and were partly offset by the decrease of rental income from Golden Plaza which was disposed of in May 2007. Profit after tax attributable to the equity holders of the Company was approximately HK$180,228,000 (2007: HK$48,703,000), representing an increase of 270%.

Included in the profit after tax attributable to the equity holders for the year, there were some non-cash expenditures which included, but not limited to, notional interest on zero coupon convertible notes of HK$7,781,000 (2007: HK$8,134,000), notional interest on redeemable convertible preference shares of HK$205,000 (2007: HK$179,000) and equity-settled share based payment expenses of HK$9,619,000 (2007: HK$2,338,000).

The Board did not recommend the payment of dividend in respect of the results for the year ended 31 March 2008 (2007: Nil).

Financial services

Rongzhong

The Group has 71% equity interest in Rongzhong as at 31 March 2008. For the year ended 31 March 2008, Rongzhong and its subsidiaries ("Rongzhong Group") contributed a turnover of approximately HK$216,318,000 (2007: HK$24,876,000). Guarantee income is recognized over the life of the guarantee contracts and as at 31 March 2008, the deferred income amounted to approximately HK$28,183,000 which was to be recognized in the forthcoming 3 financial years.

As a result of the PRC government's strict control towards the overheated stock and property market, bank borrowing became strenuous. Hence, the demand for bridging finance grew tremendously which created a golden opportunity for the Group. In May and August 2007, the Group entered into two loan agreements with Rongzhong, pursuant to which the Group conditionally agreed to advance a HK$60 million and a HK$500 million revolving loans facility respectively to Rongzhong as general working capital at interest rate of 16% per annum. The two loan agreements were approved by shareholders of the Company in June and September 2007 respectively. As at 31 March 2008, the total outstanding loan amount to HK$379,687,000. In August 2007, the Group entered into a sale and purchase agreement with Yong Hua International Limited ("Yong Hua"), a minority shareholder of Rongzhong, pursuant to which Perfect Honour Limited, a wholly owned subsidiary of the Company, had conditionally agreed to acquire, and Yong Hua had conditionally agreed to sell, the 20% of the entire issued share capital of Rongzhong at a consideration of HK$135 million, which was settled by a 3 year, zero coupon convertible note issued by the Company on 2 October 2007 ("the Issued Date"). Yong Hua has the right to convert the whole or part of the convertible note at the conversion price of HK$1.08 (subject to adjustments) with the following conditions: (i) HK$54,000,000 convertible on any business day from the 1st anniversary of the Issue Date up to the business day immediately prior to the 2nd anniversary of this note; and (ii) HK$81,000,000 or any cumulative outstanding amount convertible from the 2nd anniversary of the Issue Date up to the business day immediately prior to the maturity date (1st October 2010). After the acquisition, the Group owns 71% of equity interest in Rongzhong.

1. Loan Guarantee

   Rongzhong Group carries on loan guarantee business in seven cities in the PRC, namely Chengsha, Chengdu, Chongqing, Wuhan, Guangzhou, Nanjing and Hangzhou, principally engaging in the provision of guarantee and related services for individuals and SME in relation to the following major types of loans: (1) consumable purchase; (2) educational fund; (3) residential renovation; (4) travel and wedding; (5) mobile phone; (6) motor vehicle, (7) real estate property and (8) SME working capital. The total guarantee amount of Rongzhong Group granted in the year amounted to approximately RMB3,599,908,000 (2007: RMB1,510,131,000). Currently, Rongzhong Group has established working relationship with the following banks:

   - Changsha Commercial Bank
   - Shenzhen Development Bank
   - China Construction Bank
   - Guangdong Development Bank
   - Industrial and Commercial Bank of China
   - Shanghai Pudong Development Bank
   - China Merchants Bank
   - China Minsheng Banking Corporation
   - Industrial Bank
   - China Everbright Bank
   - Bank of Nanjing
   - Agricultural Bank of China
   - Bank of China

2. Bridge Finance

Rongzhong Group first launched its bridge finance service in Wuhan, the PRC in April 2006. In October 2007, it further extended such service in Chongqing, Chengdu and Jiangsu.

Rongzhong Group provides different types of bridge finance services including but not limited to the provision of bridge loans for management buyout, to SME and property developers for short term working capital needs. As at 31 March 2008, Rongzhong Group maintained a loan portfolio of approximately HK$582,666,000 (2007: HK$72,432,000). The bridge finance loan portfolio continues to achieve an attractive yield.

Rongzhong Group will continue to expand the bridge finance business to other mainland cities when opportunities arise. To fully utilize our extensive network throughout the many platforms we had built over the years, Rongzhong Group intends to further expand into locations which we have been providing guarantee services, namely: Hangzhou, Guangzhou and Chengsha.

3. Leasing

In April 2008, Rongzhong Group was granted a wholly-foreign owned leasing licence by the Ministry of Commerce in the PRC, and Rongzhong International Finance Lease Limited (融眾國際融資租賃有限公司) was established with an initial registered capital of USD10 million. The Board believes that this leasing licence can further complement our existing service portfolio and can provide stable income source in the foreseeable future by capitalizing on Rongzhong Group's business network, financing backing and industry relationships.

4. Private Equity Fund

Launched in May 2008, Wuhan Rongzhong Growth Fund (武漢融眾高成長投資中心) is a private equity fund seeking opportunities for investment primarily in the PRC where Rongzhong's operating expertise and sector knowledge can guide the strategic direction of its portfolio and create sustainable value. The Fund is managed by Rongzhong Group and has a committed capital of approximately RMB130 million.

Looking ahead, the Board intends to turn Rongzhong Group into a non-bank financial services group. The investment in financial services industry will be a long term strategic move for the Group, leveraging on the Group's expertise and strong network in the PRC.

Famous Apex

In September 2007, Famous Apex entered into two loan agreements with Poly Sanhao and Worldpro, pursuant to which Famous Apex conditionally agreed to make available term loans of RMB100 million and RMB15 million to Poly Sanhao and Worldpro respectively. The loan of RMB100 million was secured by mortgages of the 85% equity interest in 珠海市中廣置業有限公司 and 51% equity interest in Poly Sanhao. The loan of RMB15 million was secured by first fixed and floating charge on all assets owned by Worldpro and mortgage of the entire issued share capital of Worldpro. The loans were fully drawn in January 2008 and collectively provide the Group with a potential investment return of over 33% per annum for a term of three years. For the year ended 31 March 2008, the loans contributed a turnover of approximately HK$10,280,000 to the Group.

Goldbond Capital

In July 2007, Flourish Global Limited ("Flourish Global"), a wholly owned subsidiary of the Company, entered into a conditional equity purchase agreement with independent third parties to dispose of Florish Global's entire 20% interest in Goldbond Capital at a consideration of approximately US$10,240,000. The transaction was completed in October 2007. However, a notice of third-party claim was received in March 2008 and a provision for such claim and its legal costs of approximately HK$7,500,000 was recorded in current year. As a result, the gain on disposal of interest in associates was reduced from approximately HK$33,059,000 as stated in the 2007/08 interim report to approximately HK$25,364,000 for the year.

Property development and investment

Golden Plaza, Hong Kong

The rental income derived from Golden Plaza in Hong Kong (after outgoings) for the year was approximately HK$2,792,000 (2007: HK$28,621,000), a decrease of 90% over last year. The decrease was mainly due to the termination of rental and management income after the completion of the disposal of Golden Plaza at a total consideration of approximately HK$530,000,000 in May 2007. The gain on disposal amounted to approximately HK$5,240,000 for the year.

Nanjing International Center, Nanjing

The disposal of the Group's 25% interest in NCPC at a consideration of approximately HK$125,329,000 was completed in June 2007. The Board was of the view that the disposal represented a good opportunity for the Group to dispose of NCPC at a premium to its book value and to avoid further capital commitment in the non-core business of the Group. A gain on disposal of approximately HK$19,869,000 was recorded for the year.

Future plans

The Group has transformed from its principal activities of property leasing and development to provision of consumer/SME financing and business consultancy services. The disposal of Golden Plaza, NCPC and Goldbond Capital had strengthened the Group's financial position and allowed the Group to conglomerate its resources to further venture in the financial service and other new prosperous investment opportunities. In April 2007, Mr. Wang Jun, the renowned former Chairman of CITIC Group, joined the Company as the Chairman and Executive Director. The future development of the Group will definitely be benefited from Mr. Wang's impeccable business network. In view of all the affirmative factors and immense business opportunities ahead, the Group will focus to expand its developments in the Greater China Region.

Financial Review

Liquidity and capital resources

As at 31 March 2008, the Group had outstanding borrowings from a financial institution of RMB100,000,000 (2007: HK$116,000,000 and RMB90,000,000) which were secured by charges over the Group's and the minority shareholders' indirect interests in 融眾擔保集團有限公司 (Rongzhong Guarantee Group Limited) ("Rongzhong Guarantee"), a subsidiary of the Company. The Company, Rongzhong Guarantee and a director of the Company had given guarantees to a financial institution for the grant of the above borrowings of not more than RMB100,000,000 (equivalent to approximately HK$109,890,000) in aggregate. All these banking facilities bore interest with reference to the rate offered by the People's Bank of China. The guarantee provided by the Company was in proportion to its 71% equity interest in the borrower.

At present, the Group has not used any derivative to hedge against the interest rate risk exposure.

In August 2004, the Company issued convertible notes with a nominal value of HK$70,000,000 to a related company with a maturity date on 5 August 2007. The notes were interest free and might be converted into ordinary shares of HK$0.10 each in the share capital of the Company (the "Share(s)") at a conversion price of HK$0.17 per Share, subject to adjustment upon the occurrence of certain events. On 31 July 2007, convertible notes with a nominal value of HK$53,000,000 were converted into 311,764,705 Shares by the then note holder and the remaining balances of HK$17,000,000 were redeemed on 5 August 2007.

In December 2004, the Company issued convertible notes with a nominal value of HK$30,000,000 to another related company with a maturity date on 5 August 2007. The notes were interest free and might be converted into Shares at a conversion price of HK$0.129 per ordinary share, subject to adjustment upon the occurrence of certain events. On 31 July 2007, the convertible notes were fully converted into 232,558,138 Shares by the then notes holders.

In July 2007, arrangements were made for a private placement of existing Shares to professional and institutional investors of 268,000,000 Shares at a price of HK$1.18 each. The net proceeds of approximately HK$307 million were used for the development of finance services in the PRC and for general working capital purposes of the Group.

In October 2007, the Company issued a convertible note with a principal amount of HK$135,000,000 to another related company with a maturity date on 2 October 2010 for the acquisition of an additional 20% issued share capital of Rongzhong. The note is interest free and may be converted into Shares at a conversion price of HK$1.08 per ordinary share, subject to adjustment upon the occurrence of certain events. A goodwill of HK$103,686,000 was recognized. The convertible note was split into liability and derivative components. As at 31 March 2008, the liability component amounted to HK$107,286,000 and the fair value of derivative component amounted to HK$18,070,000. A gain on change in fair value of derivative component of HK$14,463,000 was recorded during the year.

In January 2008, the loans of RMB100,000,000 and RMB15,000,000 were fully drawn by Poly Sanhao and Worldpro respectively after the fulfillment of all conditions precedent as stipulated in the respective loan agreements.

With the completion of the disposal of Golden Plaza, Nanjing International Center and Goldbond Capital, and share placement during the year, the Group had maintained adequate liquidity with cash and bank balances of HK$429,592,000 (2007: HK$46,392,000). The net debt to equity ratio as at 31 March 2008 was as follows:

	2008	2007
	HK$'000	*HK$'000*
Debt *(note a)*	**109,890**	242,056
Cash and cash equivalents	**(429,592)**	(46,392)
Net (asset) debt	**(319,702)**	195,664
Equity *(note b)*	**1,113,943**	414,190
Net debt to equity ratio	**N/A** *(note c)*	0.47

Notes:

(a) Debt comprises bank and other borrowings.

(b) Equity includes all capital, reserves and minority interests of the Group.

(c) Not applicable as no net debt as at 31 March 2008.

Taking into account the financial resourses available to the Group, including internally generated funds and available banking facilities, the Group has sufficient working capital to meet its present requirements.

Effect on exchange rate fluctuation

Since 1 July 2007, the functional currency of the Company and Rongzhong Group has changed from Hong Kong dollars to Renminbi ("RMB") because the majority of their operations are in the PRC. As a result, most of the gain on the translation of RMB assets under the sustaining appreciation of exchange rate for RMB were recorded in the translation reserve. Accordingly, the balance of translation reserve had increased by HK$26,073,000 during the year.

The Group's transactions, monetary assets and liabilities are principally denominated in Hong Kong dollars, United States dollars and RMB. The major operations of the Group were transacted and recorded in RMB and did not subject to material exposure on exchange rate fluctuation.

Charges on the Group's assets

As at 31 March 2008, the Group executed a floating charge over the interest in subsidiaries and certain assets of Rongzhong with an aggregate carrying value of HK$489,661,000 and HK$70,476,000 respectively (2007: HK$96,660,000 and HK$47,437,000) in favour of a bank for banking facilities granted. As at 31 March 2008, none of the facilities were utilized (2007: HK$20,000,000).

As at 31 March 2008, the guarantee facilities granted to the Group were secured by the security deposits in an aggregate of approximately HK$67,097,000 (2007: HK$37,969,000).

Contingent liabilities

As at the balance sheet date, there were contingent liabilities in respect of the following:

(a) The Group has contingent liabilities of RMB1,276,074,000, equivalent to approximately HK$1,402,279,000 (2007: RMB822,726,000 equivalent to approximately HK$822,726,000) in relation to the provision of the guarantee services in the PRC.

(b) The Group granted a guarantee of US$3,750,000, equivalent to approximately HK$29,250,000 as at 31 March 2007 in respect of banking facilities granted to a jointly controlled entity. The full amount was utilized as at 31 March 2007. The Group also pledged its attributable equity interests in the jointly controlled entity for such banking facilities. With the completion of the disposal during the year as detailed in Note 6 to the financial statements, the Group's obligation as guarantor was released.

(c) The Group entered into funding, allocation and distribution agreements in respect of a bank loan of RMB148,977,000 equivalent to approximately HK$148,977,000 as at 31 March 2007, borrowed by a jointly controlled entity. With the completion of the disposal during the year as detailed in Note 6 to the financial statements, the Group's obligation under those agreements was released.

Employees and remuneration policy

As at 31 March 2008, the Group's total number of staff was approximately 600 in Hong Kong and the PRC. The Group remunerates its employees based on their performance, experience and prevailing industry practices. Other benefits offered to the employees include medical insurance, retirement scheme and training subsidies. In addition, the Group has set up a share option scheme for the purpose of providing incentives to the eligible employees.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor its subsidiary has purchased, sold or redeemed any of the Company's listed securities during the year.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the year ended 31 March 2008 under review (the "Year"), the Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules.

AUDIT COMMITTEE

The audit committee of the Company comprises three members namely Mr. Cheng Yuk Wo, Mr. Ma Ho Fai SBS JP and Mr. Melvin Jitsumi Shiraki, the independent non-executive directors of the Company.

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed with management in respect to the financial reporting matters, including a review of the audited consolidated financial statements of the Group for the Year, who are of the opinion that such statements comply with the applicable accounting standards and the Listing Rules and that adequate disclosure have been made.

REMUNERATION COMMITTEE

The remuneration committee comprises three members namely Mr. Cheng Yuk Wo, Mr. Ma Ho Fai SBS JP and Mr. Kee Wah Sze.

The principal responsibilities of remuneration committee include, among others, making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and reviewing the specific remuneration packages of all executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the directors of the Company on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. The Company, having made specific enquiry of all directors, confirmed that all directors have complied with the required standard of dealings set out therein throughout the Year.

By order of the Board
Goldbond Group Holdings Limited
Wong Yu Lung, Charles
Chief Executive Officer

Hong Kong, 11 July 2008

As at the date of this announcement, (a) the executive directors of the Company are Mr. Wang Jun, Mr. Wong Yu Lung, Charles, Mr. Ding Chung Keung, Vincent, Mr. Kee Wah Sze, Mr. Lan Ning, Mr. Xie Xiao Qing and Miss Wong, Michelle Yatyee; (b) the independent non-executive directors of the Company are Mr. Ma Ho Fai SBS JP, Mr. Melvin Jitsumi Shiraki and Mr. Cheng Yuk Wo.