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

(incorporated in Hong Kong with limited liability)

(Stock code: 172)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

The board of directors (the "Directors") of Goldbond Group Holdings Limited (the "Company") (collectively referred to as the "Board") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 September 2007 (the "Period") together with the comparative figures. The results have been reviewed by the Company's auditors, Deloitte Touche Tohmatsu and by the Company's audit committee.

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 September 2007

	Notes	**1 April 2007 to 30 September 2007** *HK$'000* **(unaudited)**	1 April 2006 to 30 September 2006 *HK$'000* (unaudited and restated)
Continuing operation			
Turnover	*3*	**59,281**	9,163
Other income		**13,037**	1,200
Gain on disposal of associates		**33,059**	–
Other operating expenses		**(45,559)**	(25,239)
Share of profits of associates		**4,218**	147
Finance costs		**(13,527)**	(7,657)
Profit (loss) before taxation	*4*	**50,509**	(22,386)
Taxation	*5*	**(1,965)**	(194)
Profit (loss) for the period from continuing operation		**48,544**	(22,580)
Discontinued operation	*6*		
Profit for the period from discontinued operation		**24,298**	43,056
Profit for the period		**72,842**	20,476

	Note	1 April 2007 to 30 September 2007 HK$'000 (unaudited)	1 April 2006 to 30 September 2006 HK$'000 (unaudited and restated)
Attributable to:			
Equity holders of the parent		**98,481**	20,476
Minority interests		**(25,639)**	–
		72,842	20,476
Earnings (loss) per share	*8*		
From continuing and discontinued operations			
– Basic		**4.86 cents**	1.23 cents
– Diluted		**4.00 cents**	N/A
From continuing operation			
– Basic		**3.66 cents**	(1.36) cents
– Diluted		**3.04 cents**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

At 30 September 2007

	Notes	30 September 2007 HK$'000 (unaudited)	31 March 2007 HK$'000 (audited)
Non-current assets			
Plant and equipment	*9*	**5,553**	4,953
Consideration receivable from disposal of associates	*15*	**19,579**	–
Deposits for acquisition of an investment		**5,206**	–
Interest in associates		**–**	41,599
Goodwill		**103,686**	–
Intangible assets		**521**	–
Club debentures		**11,380**	3,000
		145,925	49,552
Current assets			
Amount due from associate		**–**	8
Properties held for sale		**8,344**	8,010
Debtors, advances provided to customers, prepayments and deposits	*10*	**353,479**	110,431
Consideration receivable from disposal of associates	*15*	**60,295**	–
Security deposits		**64,408**	37,969
Pledged deposits		**–**	24,076
Bank balances and cash		**785,483**	46,392
		1,272,009	226,886
Non-current assets classified as held for sale	*6*	**15,000**	634,849
		1,287,009	861,735

	Notes	**30 September 2007** *HK$'000* **(unaudited)**	31 March 2007 *HK$'000* (audited)
Current liabilities			
Loans from a related company		**–**	48,143
Amounts due to minority shareholders		**–**	21,047
Other payables and accrued charges		**100,227**	70,605
Taxation		**5,637**	631
Bank and other borrowings – amount due within one year		**217,203**	81,050
Convertible notes	*11*	**–**	97,038
Liabilities arising from financial guarantee contracts	*12*	**3,632**	2,413
		326,699	320,927
Liabilities associated with non-current assets classified as held for sale	*6*	**–**	160,270
		326,699	481,197
Net current assets		**960,310**	380,538
		1,106,235	430,090
Capital and reserves			
Share capital		**258,196**	167,444
Reserves		**661,160**	246,746
Equity attributable to equity holders of the Company		**919,356**	414,190
Minority interests		**45,407**	–
Total equity		**964,763**	414,190
Non-current liabilities			
Consideration for acquisition of additional interest in subsidiaries		**135,000**	–
Bank and other borrowings – amount due after one year		**5,000**	10,000
Redeemable convertible preference shares		**1,472**	1,373
Deferred taxation		**–**	4,527
		141,472	15,900
		1,106,235	430,090

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The functional currency of the Company changed from Hong Kong dollars to Renminbi ("RMB") during the Period, because the operations in Hong Kong have been disposed of. The consolidated financial statements are presented in Hong Kong dollars while the functional currency of the Company is RMB. The reason for selecting Hong Kong dollars as its presentation currency is because the Company is a public company with the shares listed on the Stock Exchange, where most of its investors are located in Hong Kong.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements of the Group for the year ended 31 March 2007. In addition, the following new accounting policy has been adopted:

Where the Group acquires an additional interest in a subsidiary, the excess of the cost of acquisition over the carrying amounts of net assets acquired is recognised as goodwill.

In the current interim period, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standard ("HKFRS"), amendment of Hong Kong Accounting Standard ("HKAS") and interpretations ("INTs") (hereinafter collectively referred to as "new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 April 2007. The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

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

HKAS 23 (Revised)	Borrowing costs[1]
HKFRS 8	Operating segments[1]
HK(IFRIC)* – INT 12	Service concession arrangements[2]
HK(IFRIC) – INT 13	Customer loyalty programmes[3]
HK(IFRIC) – INT 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interactions[2]

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

* IFRIC represents the International Financial Reporting Interpretations Committee.

The Directors anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

The Group's primary format for reporting segment information is business segments as follows:

(a) Financial services: The provision of loan guarantee services and secured bridge finance services.

(b) Property leasing and development: The leasing of shops/premises to generate rental income and gain from the appreciation in property values in the long term.

	Continuing operation		Discontinued operation			
	Financial services		Property leasing and development		Consolidated	
	1 April 2007 to 30 September 2007	1 April 2006 to 30 September 2006	**1 April 2007 to 30 September 2007**	1 April 2006 to 30 September 2006	**1 April 2007 to 30 September 2007**	1 April 2006 to 30 September 2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**59,281**	9,163	**2,792**	16,984	**62,073**	26,147
Change in fair value of investment properties	**–**	–	**–**	41,300	**–**	41,300
Segment results	**67,129**	(8,994)	**25,757**	49,946	**92,886**	40,952
Unallocated corporate expenses					**(7,213)**	(761)
Finance costs					**(14,212)**	(11,941)
Share of profits of associates	**4,218**	147	**–**	–	**4,218**	147
Share of (losses) profits of jointly controlled entities	**–**	–	**(772)**	101	**(772)**	101
Profit before taxation					**74,907**	28,498
Taxation					**(2,065)**	(8,022)
Profit for the period					**72,842**	20,476

4. PROFIT (LOSS) BEFORE TAXATION

Profit (loss) before taxation has been arrived at after charging (crediting) the following items:

	Continuing operation		Discontinued operation		Consolidated	
	1 April 2007 to 30 September 2007 HK$'000 (unaudited)	1 April 2006 to 30 September 2006 HK$'000 (unaudited)	**1 April 2007 to 30 September 2007 HK$'000 (unaudited)**	1 April 2006 to 30 September 2006 HK$'000 (unaudited)	**1 April 2007 to 30 September 2007 HK$'000 (unaudited)**	1 April 2006 to 30 September 2006 HK$'000 (unaudited)
Interest on:						
Bank loans and other borrowings	**10,466**	3,593	**685**	4,284	**11,151**	7,877
Convertible notes	**2,962**	3,978	**–**	–	**2,962**	3,978
Redeemable convertible preference shares	**99**	86	**–**	–	**99**	86
	13,527	7,657	**685**	4,284	**14,212**	11,941
Depreciation	**977**	844	**2**	4	**979**	848
Gain on disposal of investment properties	**–**	–	**(4,818)**	–	**(4,818)**	–
Gain on disposal of jointly controlled entity	**–**	–	**(19,635)**	–	**(19,635)**	–
Gain on disposal of associates	**(33,059)**	–	**–**	–	**(33,059)**	–
Interest income	**(11,492)**	(553)	**(223)**	(531)	**(11,715)**	(1,084)
Operating lease charges in respect of properties	**3,632**	2,662	**–**	–	**3,632**	2,662
Staff costs	**25,590**	15,253	**125**	315	**25,715**	15,568

5. TAXATION

	Continuing operation		Discontinued operation		Consolidated	
	1 April 2007 to 30 September 2007 HK$'000 (unaudited)	1 April 2006 to 30 September 2006 HK$'000 (unaudited)	**1 April 2007 to 30 September 2007 HK$'000 (unaudited)**	1 April 2006 to 30 September 2006 HK$'000 (unaudited)	**1 April 2007 to 30 September 2007 HK$'000 (unaudited)**	1 April 2006 to 30 September 2006 HK$'000 (unaudited)
The charge comprises:						
Hong Kong Profits Tax	**–**	–	**4,627**	600	**4,627**	600
PRC Income Tax	**1,965**	194	**–**	–	**1,965**	194
	1,965	194	**4,627**	600	**6,592**	794
Deferred taxation	**–**	–	**(4,527)**	7,228	**(4,527)**	7,228
	1,965	194	**100**	7,828	**2,065**	8,022

Hong Kong Profits Tax has been calculated at 17.5% (17.5% for the six months ended 30 September 2006) of the estimated assessable profit for the period.

Taxation for subsidiaries in the People's Republic of China (the "PRC") is calculated at the appropriate current rates of taxation ruling in the PRC.

On 16 March 2007, PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC, which will change the tax rate from 33% to 25% for certain subsidiaries from 1 January 2008. The directors of the Company anticipate that the application of the New Law will have no material impact on the results and the financial position of the Group.

The deferred taxation as at 31 March 2007 mainly related to temporary differences attributable to depreciation allowances in excess of related depreciation and revaluation of certain investment properties.

6. 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.

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 Upper Wall and the Lower 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 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 and exercise of the Put Option is remote.

Since the above condition has not been fulfilled up to 30 September 2007, 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 maintains 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 30 September 2007 are as follows:

	30 September 2007 *HK$'000*	31 March 2007 *HK$'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	**–**	8,747
Financial guarantee contracts	**–**	517
	–	160,270

The (loss) profit for the period from the discontinued operation is analysed as follows:

	1 April 2007 to 30 September 2007 *HK$'000*	1 April 2006 to 30 September 2006 *HK$'000*
(Loss) profit of property leasing and development business for the period	**(155)**	43,056
Gain on disposal of property leasing and development business	**24,453**	–
	24,298	43,056

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

	1 April 2007 to 30 September 2007 *HK$'000*	1 April 2006 to 30 September 2006 *HK$'000*
Turnover	**2,792**	16,984
Direct outgoings	**(155)**	(1,766)
Other income	**395**	625
Change in fair value of investment properties	**–**	41,300
Other operating expenses	**(1,630)**	(2,076)
Share of (losses) profits of jointly controlled entities	**(772)**	101
Finance costs	**(685)**	(4,284)
(Loss) profit before taxation	**(55)**	50,884
Taxation	**(100)**	(7,828)
(Loss) profit for the period	**(155)**	43,056

During the Period, the property leasing and development business contributed HK$1,402,000 (HK$13,767,000 for the six months ended 30 September 2006) to the Group's net operating cash flows, and utilised HK$685,000 (HK$4,284,000 for the six months ended 30 September 2006) 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	662
	615,876
Gain on disposal	24,453
Total consideration satisfied by cash	640,329

7. DIVIDENDS

No dividends were paid during the Period. The directors do not recommend the payment of an interim dividend.

8. 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:

	1 April 2007 to 30 September 2007 *HK$'000*	1 April 2006 to 30 September 2006 *HK$'000*
Earnings:		
Earnings for the purpose of basic earnings per share (profit for the period attributable to equity holders of the parent)	**98,481**	20,476
Effect of dilutive potential ordinary shares:		
Interest on convertible notes	**2,962**	N/A
Earnings for the purpose of diluted earnings per share	**101,443**	N/A
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,025,090**	1,662,440
Effect of dilutive potential ordinary shares:		
Share options	**80,459**	N/A
Convertible notes	**432,281**	N/A
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,537,830**	N/A

The diluted earnings per share for the six months ended 30 September 2006 was not presented as the potential ordinary shares from continuing operation were anti-dilutive during that period.

From continuing operation

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

	1 April 2007 to 30 September 2007	1 April 2006 to 30 September 2006
	HK$'000	*HK$'000*
Earnings:		
Profit for the period attributable to equity holders of the parent	**98,481**	20,476
Less: Profit for the period from discontinued operation	**(24,298)**	(43,056)
Earnings (loss) for the purpose of basic earnings per share from continuing operations	**74,183**	(22,580)
Effect of dilutive potential ordinary shares:		
Interest on convertible notes	**2,962**	N/A
Earnings for the purpose of diluted earnings per share from continuing operations	**77,145**	N/A

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 six months ended 30 September 2006 was not presented as the potential ordinary shares were anti-dilutive during that period.

From discontinued operation

Basic earnings per share and diluted earnings per share from discontinued operation are HK1.20 cents and HK0.96 cents respectively, based on the profit for the period from the discontinued operation of HK$24,298,000 and denominators detailed above for both basic and diluted earnings per share.

The diluted earnings per share for the six months ended 30 September 2006 was not presented as the potential ordinary shares from continuing operation were anti-dilutive during that period.

9. ADDITIONS IN PLANT AND EQUIPMENT

During the Period, the Group incurred HK$1,560,000 (HK$626,000 for the six months ended 30 September 2006) to acquire plant and equipment for its business use.

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

	30 September 2007	31 March 2007
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Debtors and advances provided to customers	**37,595**	19,658
Loans receivable arising from the secured bridge finance business	**194,554**	72,432
Designated loans	**24,849**	–
Advances to employees	**14,311**	9,400
Other loan receivable	**33,287**	–
Consultancy fee receivable	**12,500**	–
Prepayments, deposits and other receivables	**36,383**	8,941
	353,479	110,431

Notes:

(a) For the financial service business, the Group allows an average credit period of 30 days to a maximum of 180 days to its customers. For property leasing and development business, the Group allowed an average credit period of 30 days to its tenants.

(b) The loans receivable arising from the secured bridge finance business are secured by assets placed by customers, interest bearing at 5.4% per annum and repayable according to the loan agreements which usually cover a period of one to six months. The loans receivable includes HK$129,004,000 (31 March 2007: HK$72,182,000) aged within three months, with the remaining balances of HK$65,550,000 (31 March 2007: HK$250,000) aged between four to six months.

(c) The designated loans are secured by assets placed by the borrowers, interest bearing at rates ranging from 7.02% and 11.63% per annum and repayable according to the respective loan agreements which usually cover a period of four to five months.

(d) Advances to employees are secured by the entire equity interest in a company owned by the employees. This company is incorporated and engaged in mining business in the PRC. The advances are interest bearing at 6% per annum and repayable within one year.

(e) Other loan receivable represents a loan acquired from a PRC bank at a consideration of RMB31,956,000 (equivalent to approximately HK$33,287,000). The other loan receivable is repayable within one year.

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

	30 September 2007	31 March 2007
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Outstanding balances aged:		
– within one month	**19,521**	15,195
– more than one month but less than three months	**16,302**	3,888
– more than three months	**1,772**	575
	37,595	19,658

11. CONVERTIBLE NOTES

On 5 August 2004, the Company issued convertible notes with a nominal value of HK$70,000,000 to a related company which is under common control. The notes were interest free and matured on 5 August 2007. During the period, convertible notes with a nominal value of HK$53,000,000 were converted by the then note holder into 311,764,705 ordinary shares at a conversion price of HK$0.17 per ordinary share. The remaining balances were redeemed at the maturity date at the nominal value.

On 31 December 2004, the Company issued convertible notes with a nominal value of HK$30,000,000 to a related company which has common directors. The notes were interest free and matured on 5 August 2007. During the period, all convertible notes were converted into 232,558,138 ordinary shares by the then notes holders at a conversion price of HK$0.129 per ordinary share.

12. LIABILITIES ARISING FROM FINANCIAL GUARANTEE CONTRACTS

	30 September 2007	31 March 2007
	HK$'000	*HK$'000*
For outsiders	**3,632**	2,413
For jointly controlled entities	**–**	517
	3,632	2,930
Less: Transfer to liabilities associated with non-current assets classified as held for sale	**–**	(517)
	3,632	2,413

As at 30 September 2007, the Group provided financial guarantees of RMB1,211,220,000 equivalent to approximately HK$1,261,687,000 (31 March 2007: RMB822,726,000 equivalent to approximately HK$822,726,000) to customers under the guarantee service business. Liabilities arising from the financial guarantee business represents the management's best estimate of the Group's liabilities based on prior experience and default history of the business.

In July 2004, the Group 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 period as detailed in Note 6, the Group's obligation as guarantor was released.

As disclosed in the 2007 annual financial statements, the Group entered into funding, allocation and distribution agreements in respect of a new bank loan of RMB148,977,000, equivalent to approximately HK$148,977,000 borrowed by a jointly controlled entity in May 2005. With the completion of the Disposal during the period as detailed in Note 6, the Group's obligation under those agreements was released.

13. SUBSCRIPTION OF SHARES OF A SUBSIDIARY

During the Period, Perfect Honour Limited ("Perfect Honour"), a wholly owned subsidiary of the Company and other shareholders of Rongzhong Group Limited ("Rongzhong") which was a then 51% subsidiary of the Company, entered into a subscription agreement pursuant to which all shareholders conditionally agreed to subscribe for a total of 25,999,900 shares in Rongzhong on a pro rata basis at the total subscription consideration of approximately HK$202,799,000. The subscription of shares was completed in April 2007 and did not result in any changes in the shareholding structure of Rongzhong.

As a result of the additional investments by the minority shareholders of Rongzhong, losses of HK$34,093,000 previously allocated against the interests of the Group were reallocated to the minority interests.

14. ACQUISITION OF ADDITIONAL INTEREST IN A SUBSIDIARY

On 15 August 2007, Perfect Honour entered into a sale and purchase agreement with Yong Hua International Limited ("Yong Hua") to acquire an additional 20% issued share capital of Rongzhong at the consideration of HK$135,000,000. The consideration is to be satisfied by the issue of a zero coupon convertible note in the principal amount of HK$135,000,000 by the Company ("New Convertible Note"). The New Convertible Note will mature in 2010. It may be converted into ordinary shares of the Company by phases at a conversion price of HK$1.08 per share, subject to adjustment upon the occurrence of certain events. The acquisition became unconditional on 28 September 2007 under the terms of the sale and purchase agreement and a goodwill of HK$103,686,000 was recognised. The New Convertible Note was issued on 2 October 2007.

15. DISPOSAL OF INTEREST IN ASSOCIATES

On 3 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 Flourish Global's entire 20% interest in Goldbond Capital Holdings Limited ("Goldbond Capital") at a consideration of US$10,240,000, equivalent to approximately HK$79,874,000. Consideration receivable of US$7,730,000, equivalent to approximately HK$60,295,000 was due on completion date and has been received subsequent to 30 September 2007. The remaining balance will be fully settled by October 2009 in accordance with the escrow agreement signed between Flourish Global and the sellers. The details of the escrow agreement are disclosed in the circular dated 27 July 2007 issued by the Company. This transaction was approved by the Company's shareholders on 13 August 2007 and a gain on disposal of interest in associates amounting to HK$33,059,000 was recognised during the period.

16. CAPITAL COMMITMENTS

At the balance sheet date, the Group had the following capital commitments:

	30 September 2007 ***HK$'000*** **(unaudited)**	31 March 2007 *HK$'000* (audited)
THE GROUP		
Contracted for but not provided in the consolidated financial statements		
– acquisition of plant and equipment	**897**	243
– acquisition of a subsidiary in the PRC	**200**	500
	1,097	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
	1,097	115,453

RESULTS AND DIVIDEND

Turnover of the Group for the Period was approximately HK$62,073,000 (including the turnover relating to discontinued operation) (for the six months ended 30 September 2006: HK$26,147,000), an increase of 137% over the same period of last year. The increase was mainly due to the increase in income from consumer/SME finance business and had been partly offset by the decrease of the rental and management fee income from Golden Plaza which was disposed of in May 2007, resulting in a profit after tax attributable to the equity holders of the Company of approximately HK$98,481,000 (for the six months ended 30 September 2006: HK$20,476,000), which represented an increase of 381% over the same period last year.

The Board did not recommend the payment of dividend in respect of the results for the six months ended 30 September 2007 (for the six months ended 30 September 2006: nil).

BUSINESS REVIEW

2007 is a prosperous year for the Group, after completion of the disposal of Golden Plaza, Nanjing International Center and Goldbond Capital, the Group has concentrated its resources on secured bridge finance and guarantee business through the Group's 71% owned subsidiary, Rongzhong. In August 2007, the Group established its Business Consultancy Division which provides consultancy services in project finance, project consultancy, management of distressed assets, direct investment and property investment in the PRC.

Financial services

Rongzhong

The Group has 71% equity interest in Rongzhong. For the six months ended 30 September 2007, Rongzhong and its subsidiaries ("Rongzhong Group") contributed a turnover of HK$56,706,000 (for the six months ended 30 September 2006: HK$9,163,000). Guarantee income is recognized over the life of the guarantee contracts and as at 30 September 2007, the deferred income amounted to approximately HK$30,640,000 which was to be recognized in the forthcoming 3 financial years.

As a result of the continuous promotion on domestic spending (versus exports) by the PRC government, and its strict control towards the overheated stock and property markets, bank borrowing has become strenuous. Hence, the demand for secured bridging finance grew tremendously which created a golden opportunity for the Group to further develop within this industry.

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 30 September 2007, the total outstanding loan amounted to HK$60,151,000. In August 2007, the Group entered into a sale and purchase agreement with Yong Hua, a minority shareholder of Rongzhong, pursuant to which Perfect Honour, a wholly owned subsidiary of the Group, 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 Issued 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 Issued Date up to the business day immediately prior to the maturity date (1 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. It is principally engaging in the provision of guarantee and related services for individuals in relation to the following major types of loans: (1) consumable purchase; (2) educational fund; (3) residential renovation; (4) travel and wedding; (5) mobile phones; (6) motor vehicle, (7) real estate property and (8) sole proprietor working capital. The total guarantee amount of Rongzhong Group granted in the period under review amounted to approximately RMB1,961,938,000 (for the six months ended 30 September 2006: RMB244,445,000). Currently, Rongzhong Group has established working relationship with the following banks:

   - Bank of Communications
   - 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. Secured Bridge Finance

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

   Rongzhong Group provides different types of secured bridge finance services including but not limited to the provision of bridge loans for management buyout, to SME and property developers for short term project financing. For the period ended 30 September 2007, total loans granted by the Group amounted to RMB744,338,000 (for the six months ended 30 September 2006: RMB80,000,000). As at 30 September 2007, Rongzhong Group maintained a loan portfolio of approximately HK$194,554,000. The secured bridge finance loan portfolio continues to achieve a high yield averaging at above 4% per month.

As the profit margin for secured bridge finance is high while the business risk is relatively low, Rongzhong Group will continue to expand the secured 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 had been providing guarantee services, namely Hangzhou, Guangzhou and Chengsha.

3. Credit Cards

To further capitalize the existing platform and network, Rongzhong Group had lined up with China Merchants Bank ("CMB") to issue credit cards with installment loan feature. In August 2006, the first stage of this operation was launched in three of Rongzhong's operating cities, namely Chengdu, Wuhan, Hangzhou. Currently, this operation is still at its trial stage in order for CMB and Rongzhong Group to adapt to operation flow, to explore co-operating merchants and to develop a diligent information technology platform tailored for this exclusive operation.

The Directors believe that investment in the 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.

Goldbond Capital

In July 2007, Flourish Global 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 and a gain of disposal of approximately HK$33,059,000 was recorded in the period under review.

Business consultancy

In order to explore further business opportunities, the Group established its Business Consultancy Division during the period under review.

In August 2007, Goldbond Management (Shanghai) Company Limited ("Gondbond Shanghai"), a wholly owned subsidiary, was incorporated in Shanghai which provides a wide range of services including project finance, project consultancy, distressed assets management, direct investment and property investment in the PRC.

In September 2007, Famous Apex Limited ("Famous"), 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 conditionally agreed to make available term loans of RMB100,000,000 and RMB15,000,000 to Poly Sanhao and Worldpro respectively. The two loan agreements were approved by shareholders of the Company in October 2007 and the loans collectively will provide the Group with a potential investment return of over 35% per annum for a term of three years. Up to the date of report, the loans were not yet drawn as some of the conditions precedent had not fulfilled.

[#] *For identification purpose only*

Property investment and development

Golden Plaza, Hong Kong

The rental income derived from Golden Plaza in Hong Kong for the period under review was approximately HK$2,792,000 (for the six months ended 30 September 2006: HK$16,984,000), a decrease of 84% over last year. The decrease was mainly due to the termination of rental and management income as a result of the disposal of the shop units and the external walls outside of Golden Plaza to an independent third party (the "Purchaser") in May 2007. The total consideration for such disposal was approximately HK$530,000,000. According to the sale and purchase agreements, the Group entered into a licence agreement with the Purchaser on 2 May 2007 to lease certain area of the upper part and the lower part of the exterior walls of Golden Plaza. If the conditions as set out in the licence agreement cannot be fulfilled within 2 years, the Group is required to purchase the external walls from the Purchaser at a consideration of HK$15,000,000 (the "Put Option"). Details of the Put Option can be referred to the Note 6 to the financial statements. The gain on disposal amounted to approximately HK$4,818,000 for the period under review.

Nanjing International Center, Nanjing

The disposal of the Group's 25% interest in Nanjing City Plaza Construction Co. Limited ("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 net book value and to avoid further capital commitment in the non-core business of the Group. A gain on disposal of approximately HK$19,635,000 was recorded.

Future plans

The Group has transformed from its principal activities of property investment 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 prosperous 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 in the financial service industries.

FINANCIAL REVIEW

Liquidity and capital resources

As at 30 September 2007, the Group has secured banking facilities of HK$20,000,000 and RMB280,000,000 (31 March 2007: HK$116,000,000 and RMB90,000,000) granted by several banks in Hong Kong and the PRC, which were secured by a floating charge over the assets of a subsidiary of the Company and corporate guarantees and certain properties of related companies. All these banking facilities bore interest with reference to the HIBOR or rate offered by the People's Bank of China and were utilized up to HK$15,000,000 and RMB188,905,000 respectively as at 30 September 2007 (31 March 2007: HK$32,000,000 and RMB59,050,000).

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.

On 20 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$307,000,000 were used for the development of secured bridge finance services in the PRC and for general working capital purposes of the Group.

As at 30 September 2007, the Group had maintained adequate liquidity with cash and bank balances of HK$785,483,000 (31 March 2007: HK$46,392,000). The gearing ratio as at 30 September 2007, measured as total liabilities to total assets, was 32.67% (31 March 2007: 54.55%).

The Group's transaction and monetary assets are principally denominated in Hong Kong dollars, United States dollars and Renminbi. With relatively stable exchange rates of Renminbi to Hong Kong dollar and Hong Kong's linked exchange rate between United States dollar and Hong Kong dollar, the Group's exposure to foreign exchange risk remained low.

Charges on the Group's assets

As at 30 September 2007, the Group's banking facilities were granted by several banks in Hong Kong and the PRC, which are secured by the floating charges over interest in subsidiaries and certain assets of Rongzhong with an aggregate carrying value of HK$209,660,000 and HK$55,900,000 (31 March 2007: HK$96,660,000 and HK$47,437,000).

As at 30 September 2007, the guarantee facilities granted to the Group were secured by the security deposits in an aggregate of approximately HK$64,408,000 (31 March 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 RMB1,211,220,000, equivalent to approximately HK$1,261,687,000 (31 March 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 period 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 period as detailed in Note 6 to the financial statements, the Group's obligation under those agreements was released.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2007, the Group's total number of staff was approximately 590 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.

AUDIT COMMITTEE

The audit committee has been established by the Company to review and supervise the financial reporting process and internal control procedures of the Group. It comprises all independent non-executive directors of the Company.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the Period, the Company has applied the principles and complied with the applicable code provisions of the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

PUBLICATION OF FURTHER INFORMATION

The 2007/08 Interim Report of the Company containing all information required by the Listing Rules will be published on the respective websites of the Company and the Stock Exchange in due course.

DIRECTORS

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.

By Order of the Board
Wong Yu Lung, Charles
Chief Executive Officer

Hong Kong, 21 December 2007