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

(incorporated in Hong Kong with limited liability)

(Stock code: 172)

PRELIMINARY ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2007

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 2007 together with comparative figures for the corresponding year in 2006.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2007

		2007	2006 (Re-stated)
	Notes	***HK$'000***	*HK$'000*
Continuing operation			
Turnover	*4*	**24,876**	8,091
Other income		**5,391**	4,707
Other operating expenses		**(53,802)**	(39,766)
Impairment loss on amount due from a jointly controlled entity		**–**	(2,888)
Impairment loss recognised in respect of goodwill		**–**	(11,411)
Share of profits of associates		**6,061**	5,784
Finance costs	*6*	**(20,508)**	(10,545)
Loss before taxation	*7*	**(37,982)**	(46,028)
Taxation	*8*	**(466)**	(355)
Loss for the year from continuing operation		**(38,448)**	(46,383)
Discontinued operation			
Profit for the year from discontinued operation	*7 & 9*	**87,151**	50,244
Profit for the year		**48,703**	3,861
Earnings (loss) per share	*10*		
From continuing and discontinued operations			
– Basic		**2.93 cents**	0.23 cents
From continuing operation			
– Basic		**(2.31) cents**	(2.79) cents

CONSOLIDATED BALANCE SHEET
As at 31 March 2007

	Notes	2007 HK$'000	2006 (Re-stated) HK$'000
Non-current assets			
Investment properties		–	458,700
Plant and equipment	11	**4,953**	5,592
Interest in associates		**41,599**	35,538
Interest in jointly controlled entities		–	96,504
Club debentures		**3,000**	3,000
		49,552	599,334
Current assets			
Amount due from associate		**8**	40,260
Amount due from a jointly controlled entity		–	11,643
Held for trading securities		–	225
Properties held for sale		**8,010**	7,634
Debtors, advances provided to customers, prepayments and deposits	12	**110,431**	29,577
Security deposits		**37,969**	18,848
Pledged deposits		**24,076**	20,261
Bank balances and cash		**46,392**	26,292
		226,886	154,740
Non-current assets classified as held for sale		**634,849**	–
		861,735	154,740
Current liabilities			
Loans from a related company		**48,143**	26,302
Amounts due to minority shareholders		**21,047**	15,740
Other payables and accrued charges		**70,605**	29,261
Taxation		**631**	848
Bank borrowings – amount due within one year		**81,050**	62,074
Convertible notes		**97,038**	–
Liabilities arising from financial guarantee contracts	13	**2,413**	306
		320,927	134,531
Liabilities associated with non-current assets classified as held for sale		**160,270**	–
		481,197	134,531
Net current assets		**380,538**	20,209
		430,090	619,543

Capital and reserves		
Share capital	**167,444**	166,244
Reserves	**246,746**	191,270
Equity attributable to equity holders of the Company	**414,190**	357,514
Non-current liabilities		
Bank borrowings – amount due after one year	**10,000**	151,006
Convertible notes	**–**	88,904
Redeemable convertible preference shares	**1,373**	1,194
Deferred taxation	**4,527**	17,000
Amounts due to minority shareholders	**–**	3,194
Liabilities arising from financial guarantee contracts	**–**	731
	15,900	262,029
	430,090	619,543

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 2007 as set out in the 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 the 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 accounting periods beginning on or after 1 December 2005, 1 January 2006 or 1 March 2006. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results and financial position for the current or prior accounting periods have been prepared and presented:

Financial guarantee contracts

In the current year, the Group has applied HKAS 39 and HKFRS 4 (Amendments) "Financial Guarantee Contracts" which is effective for annual periods beginning on or after 1 January 2006.

A financial guarantee contract is defined by HKAS 39 "Financial Instruments: Recognition and Measurement" ("HKAS 39") as "a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument".

The Group acts as the issuer of the financial guarantee contracts in relation to financial guarantees granted to banks over the repayment of loans by the jointly controlled entities

Prior to 1 January 2006, financial guarantee contracts were not accounted for in accordance with HKAS 39 and those contracts were disclosed as contingent liabilities. A provision for financial guarantee was only recognised when it was probable that an outflow of resources would be required to settle the financial guarantee obligation and the amount can be estimated reliably.

Upon the application of these amendments, a financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" ("HKAS 37"); and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 "Revenue" ("HKAS 18").

In relation to financial guarantees granted to banks over the repayment of loans by the jointly controlled entities, the Group has applied the transitional provisions in HKAS 39. The fair value of the financial guarantee contracts at the date of grant of HK$1,802,000, representing a deemed capital contribution to the jointly controlled entities, has been adjusted to the carrying amount of interest in jointly controlled entities and a financial guarantee liability has been recognised. The effect of this change in accounting policy is shown in Note 3.

The Group has not early applied the following new standards, amendment or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new standards, amendment or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Amendment)	Capital Disclosures [1]
HKAS 23 (Revised)	Borrowing Costs [2]
HKFRS 7	Financial Instruments: Disclosures [1]
HKFRS 8	Operating Segments [2]
HK(IFRIC)* – INT 8	Scope of HKFRS 2 [3]
HK(IFRIC) – INT 9	Reassessment of Embedded Derivatives [4]
HK(IFRIC) – INT 10	Interim Financial Reporting and Impairment [5]
HK(IFRIC) – INT 11	HKFRS 2 – Group and Treasury Share Transactions [6]
HK(IFRIC) – INT 12	Service Concession Arrangements [7]

[1] Effective for annual periods beginning on or after 1 January 2007.
[2] Effective for annual periods beginning on or after 1 January 2009.
[3] Effective for annual periods beginning on or after 1 May 2006.
[4] Effective for annual periods beginning on or after 1 June 2006.
[5] Effective for annual periods beginning on or after 1 November 2006.
[6] Effective for annual periods beginning on or after 1 March 2007.
[7] Effective for annual periods beginning on or after 1 January 2008.

* IFRIC represents the International Financial Reporting Interpretations Committee.

3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The cumulative effect of the application of the new HKFRSs as at 31 March 2006 is summarised below:

	As at 31 March 2006 (Originally stated)	Adjustment	As at 31 March 2006 and 1 April 2006 (Re-stated)
	HK$'000	*HK$'000*	*HK$'000*
Balance sheet items			
Interest in jointly controlled entities	95,467	1,037	96,504
Liabilities arising from financial guarantee contracts	–	(1,037)	(1,037)

There is no material impact on the effect of changes in accounting policies described above on the results for the current and prior year.

4. TURNOVER

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

An analysis of the Group's turnover for the year, for both continuing operation and discontinued operation are as follows:

	2007	2006
	HK$'000	*HK$'000*
Continuing operation		
Financial service income	**24,876**	8,091
Discontinued operation		
Gross rental income	**34,778**	31,871
	59,654	39,962

5. SEGMENT INFORMATION

Business segments

The Group comprises the following main business segments:

(a) Financial services: The provision of loan guarantee services and secured consumer financing 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.

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

	Continuing operation		Discontinued operation			
	Financial services		Property leasing and development		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006 (Re-stated)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**24,876**	8,091	**34,778**	31,871	**59,654**	39,962
Change in fair value of investment properties	**–**	–	**66,300**	39,838	**66,300**	39,838
Segment results*	**(34,834)**	(40,716)	**92,395**	65,188	**57,561**	24,472
Investment income					**3,473**	4,517
Unallocated corporate expenses					**(18,727)**	(14,708)
Finance costs					**(8,207)**	(7,160)
Share of profits of associates	**6,061**	5,784			**6,061**	5,784
Share of (losses) profits of jointly controlled entities			**(1,982)**	63	**(1,982)**	63
Profit before taxation					**38,179**	12,968
Taxation					**10,524**	(9,107)
Profit for the year					**48,703**	3,861

* *Included in segment results are HK$20,508,000 (2006: HK$10,545,000) finance costs of the continuing operation.*

An analysis of the Group's balance sheet by business segments is as follows:

	Continuing operation		Discontinued operation			
	Financial services		Property leasing and development		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006 (Re-stated)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Assets						
Segment assets	**196,426**	76,350	**540,548**	468,639	**736,974**	544,989
Interests in associates	**41,599**	35,538			**41,599**	35,538
Interests in jointly controlled entities			**96,971**	96,504	**96,971**	96,504
Unallocated assets					**35,743**	77,043
Total assets					**911,287**	754,074
Liabilities						
Segment liabilities	**205,227**	62,913	**12,092**	11,103	**217,319**	74,016
Unallocated liabilities						
– mortgage loans					**151,006**	164,580
– corporate liabilities					**128,772**	157,964
Total liabilities					**497,097**	396,560
Other information:						
Capital additions	**1,040**	1,144	**14**	3,897	**1,054**	5,041
Depreciation	**1,719**	710	**7**	304	**1,726**	1,014
Impairment loss of						
– amount due from a jointly controlled entity	**–**	2,888	**–**	–	**–**	2,888
– goodwill	**–**	11,411	**–**	–	**–**	11,411
Allowance for debtors	**312**	397	**–**	159	**312**	556

Geographical segments

The Group operates, through its subsidiaries, associates and jointly controlled entities in two principal economic environments – Hong Kong and the PRC.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital additions are based on the geographical location of assets.

	Hong Kong		PRC		Unallocated		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**34,778**	31,871	**24,876**	8,091	**–**	–	**59,654**	39,962
Segment assets	**556,647**	486,138	**204,436**	83,984	**150,204**	183,952	**911,287**	754,074
Capital additions	**14**	3,897	**1,040**	1,144	**–**	–	**1,054**	5,041

6. FINANCE COSTS

	Continuing operation		Discontinued operation		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest on borrowings						
– wholly repayable within five years	**12,195**	2,939	**–**	–	**12,195**	2,939
– not wholly repayable within five years	**–**	–	**8,207**	7,160	**8,207**	7,160
Interest on convertible notes	**8,134**	7,451	**–**	–	**8,134**	7,451
Interest on redeemable convertible preference shares	**179**	155	**–**	–	**179**	155
	20,508	10,545	**8,207**	7,160	**28,715**	17,705

7. PROFIT (LOSS) BEFORE TAXATION

	Continuing operation		Discontinued operation		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Profit (loss) before taxation has been arrived at after charging:						
Other staff costs	**26,563**	21,411	**593**	663	**27,156**	22,074
Other staff's retirement benefits scheme contributions	**1,422**	1,016	**19**	17	**1,441**	1,033
Equity-settled share based payment expenses	**2,296**	2,053	**42**	56	**2,338**	2,109
Total staff costs (including directors' remuneration)	**30,281**	24,480	**654**	736	**30,935**	25,216
Allowance for debtors	**312**	397	**–**	159	**312**	556
Depreciation	**1,719**	710	**7**	304	**1,726**	1,014
Loss on disposal of plant and equipment	**27**	–	**–**	–	**27**	–
Operating lease rentals in respect of properties	**5,344**	3,803	**–**	–	**5,344**	3,803
Repairs and maintenance expenses of investment properties	**–**	–	**330**	667	**330**	667
Share of associates' taxation charge	**1,063**	983	**–**	–	**1,063**	983
Share of jointly controlled entities' taxation charge	**–**	–	**–**	1,213	**–**	1,213
and after crediting:						
Dividend income from listed securities	**6**	86	**–**	–	**6**	86
Gain on disposal of plant and equipment	**–**	5	**–**	–	**–**	5
Income from club debentures	**123**	143	**–**	–	**123**	143
Interest income	**1,869**	1,363	**1,301**	910	**3,170**	2,273
Net realized and unrealized gains on trading securities	**297**	2,158	**–**	–	**297**	2,158
Rental income from investment properties less direct outgoings of HK$6,157,000 (2006: HK$6,040,000)	**–**	–	**28,621**	25,831	**28,621**	25,831
Share of jointly controlled entities' taxation credit	**–**	–	**1,727**	–	**1,727**	–

8. TAXATION

	Continuing operation		Discontinued operation		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006
	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	**–**	–	**1,500**	1,176	**1,500**	1,176
– (Over)underprovision in prior years	**–**	–	**(17)**	257	**(17)**	257
PRC income tax	**466**	257	**–**	–	**466**	257
	466	257	**1,483**	1,433	**1,949**	1,690
Deferred tax	**–**	98	**(12,473)**	7,319	**(12,473)**	7,417
	466	355	**(10,990)**	8,752	**(10,524)**	9,107

Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profit for the year. Taxation in the PRC has been provided at the rates prevailing in the respective jurisdictions.

9. 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.

While in March 2007, the Group entered into a sale and purchase agreement with a related company 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. Limited and Ace Intelligent Consultants Limited. The Disposal was completed in June 2007. The details of the Disposal is disclosed in the circular dated 19 April 2007.

The above Transactions and Disposal constitute the property leasing and development business to be discontinued.

The assets and liabilities attributable to the business, which would be sold within twelve months, have been classified as disposal groups held for sale and are presented separately in the consolidated balance sheet (see below). The net proceeds of the above disposals are expected to exceed the net carrying amounts of the relevant assets and liabilities accordingly, no impairment loss has been recognised.

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

	2007	2006
	HK$'000	*HK$'000*
Turnover	**34,778**	31,871
Direct outgoings	**(6,157)**	(6,040)
Other income	**1,483**	2,543
Change in fair value of investment properties	**66,300**	39,838
Other operating expenses	**(10,054)**	(2,119)
Share of (losses) profits of jointly controlled entities	**(1,982)**	63
Finance costs	**(8,207)**	(7,160)
Profit before taxation	**76,161**	58,996
Taxation	**10,990**	(8,752)
Profit for the year	**87,151**	50,244

During the year, the property leasing and development business contributed HK$20,050,000 (2006: HK$26,255,000) to the Group's net operating cash flows, and utilised HK$8,207,000 (2006: HK$7,160,000) in respect of financing activities.

The major classes of assets and liabilities comprising the property leasing and development business as at 31 March 2007 are as follows:

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

Note: The fair value of the Group's investment properties at 31 March 2007 has 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, which conforms to International Valuation Standards, 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.

10. EARNINGS (LOSS) PER SHARE

From continuing and discontinued operations

The calculation of the earnings per share is based on the profit for the year of HK$48,703,000 (2006: HK$3,861,000) and on the weighted average of 1,662,944,000 (2006: 1,662,440,000) shares in issue during the year.

No diluted earnings per share has been presented as the conversion of the convertible notes and share options would increase the loss per share from continuing operation.

From continuing operation

The calculation of the basic loss per share is based on the loss for the year of HK$38,448,000 (2006: HK$46,383,000) and on the weighted average of 1,662,944,000 (2006: 1,662,440,000) shares in issue during the year.

No diluted loss per share has been presented as the conversion of the convertible notes and share options would result in an increase in the loss per share.

From discontinued operation

The basic earnings per share for the discontinued operations is 5.24 cents per share (2006: 3.02 cents per share) based on the profit for the year from the discontinued operation of HK$87,151,000 (2006: HK$50,244,000) and on the weighted average of 1,662,944,000 (2006: 1,662,440,000) shares in issue during the year.

No diluted earnings per share has been presented as the conversion of the convertible notes and share options would increase the loss per share from continuing operation.

11. PLANT AND EQUIPMENT

	Furniture, fixtures and other fixed assets	
	2007	2006
	HK$'000	*HK$'000*
COST		
At 1 April	**6,795**	968
Exchange adjustments	**138**	59
Additions	**1,054**	1,179
Acquisition of subsidiaries	**–**	4,641
Disposals	**(254)**	(52)
At 31 March	**7,733**	6,795
ACCUMULATED DEPRECIATION		
At 1 April	**1,203**	189
Exchange adjustments	**(47)**	7
Charge for the year	**1,726**	1,014
Eliminated on disposals	**(102)**	(7)
At 31 March	**2,780**	1,203
NET CARRYING VALUES		
At 31 March	**4,953**	5,592

The above items of plant and equipment are depreciated on a straight line basis at the rates of 20% to $33^1/_3$% per annum.

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

	2007	2006
	HK$'000	*HK$'000*
Debtors and advances provided to customers	**19,658**	4,613
Loans receivable	**72,432**	1,021
Prepayments, deposits and other receivables	**18,341**	23,943
	110,431	29,577

The loans receivable are secured by assets placed by customers of the pawn shop, interest bearing at 5.4% per annum and repayable according to the loan agreements which usually cover a period of one to three months.

Included in the prepayments, deposits and other receivables are amounts totalling RMB9,400,000 equivalent to approximately HK$9,400,000 (2006: RMB18,800,000 equivalent to approximately HK$18,077,000) which represent advances to employees. Such advances 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.

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

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:

	2007	2006
	HK$'000	*HK$'000*
Outstanding balances aged:		
– within one month	**15,195**	3,603
– more than one month but less than three months	**3,888**	721
– more than three months	**575**	289
	19,658	4,613

13. LIABILITIES ARISING FROM FINANCIAL GUARANTEE CONTRACTS

	2007	2006
	HK$'000	*HK$'000*
For outsiders	**2,413**	–
For jointly controlled entities	**517**	1,037
	2,930	1,037

As at 31 March 2007, the Group provided financial guarantees of RMB822,726,000 equivalent to approximately HK$822,726,000 (2006: RMB124,397,000 equivalent to approximately HK$136,920,000) to customers under the guarantee service business. Liabilities arising from the financial guarantee business represents the management's best estimate of the Group's 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.

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 are 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 will, 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.

At the respective date of grant, the fair value of the financial guarantee contracts was assessed by external valuers, Vigers Appraisal & Consulting Limited, amounting to US$137,000 (equivalent to approximately HK$1,069,000) and RMB762,000 (equivalent to approximately HK$733,000) respectively. Subject to the Disposal as detailed in note 9, the Group's obligations as guarantor would be subsequently discharged and the unamortised balance of financial guarantee contracts of HK$517,000 as at 31 March 2007 has been reclassified to liabilities associated with non-current assets held for sale.

14. CAPITAL COMMITMENTS

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

	2007	2006
	HK$'000	*HK$'000*
THE GROUP		
Contracted for but not provided in the consolidated financial statements		
– acquisition of plant and equipment	**243**	–
– acquisition of a subsidiary	**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**	114,926
	115,453	114,926

15. DIVIDEND

No dividend was paid or proposed during 2007, nor has any dividend been proposed since the balance sheet date (2006: HK$Nil).

16. COMPARATIVE FIGURES

Certain comparative figures have been re-stated as a result of changes in accounting policies as disclosed in note 3 above.

MANAGEMENT DISCUSSION AND ANALYSIS

2006 is a challenging year for the Group, the disposal of Golden Plaza at HK$530 million (sales and purchase agreement was signed in February 2007 and the transaction was completed in May 2007) firmly acknowledged management's decision of renovation and refurbishment work done in 2004. The value of Golden Plaza increased 42% from HK$370 million as at 31 March 2004 to HK$525 million as at 31 March 2007. Despite the immense growth in the property development market, the Group believes that additional investment in its financial service business will be a long term strategic move. In March 2007, the Group entered into an agreement to dispose of its 25% interests in Nanjing City Plaza Construction Co. Limited ("NCPC") at HK$125.3 million, the transaction was completed in June 2007. In July 2007, the Group also entered into a conditional sales and purchase agreement for disposal of its 20% interest in Goldbond Capital Holdings Limited at approximately US$10.25 million. Leveraging on the Group's expertise and extensive network in the PRC, the Group will further venture in the PRC consumer finance market with propitious prospects. As it is the Group's intention to further advance and expatiate its consumer finance business in the PRC, the Group has acquired 3 pawn shops and is currently negotiating through ways of acquisition or incorporation of up to five more pawn shops throughout other PRC cities.

RESULTS AND DIVIDEND

Turnover of the Group for the year ended 31 March 2007 was approximately HK$59,654,000 (including the turnover relating to discontinued operation) (2006: HK$39,962,000), an increase of 49% over last year mainly due to the increase in income from consumer finance business. The increase in fair value of the Group's investment properties and the operating profit from leasing of investment properties were partly offset by the loss from consumer finance business, resulting in a profit after tax of approximately HK$48,703,000 (2006: HK$3,861,000).

The Board do not recommend the payment of dividend in respect of the year ended 31 March 2007 (2006: HK$Nil).

BUSINESS REVIEW

The principal businesses of the Group during the year were property development and investment and provision of financial services in Hong Kong and the PRC. After the completion of the disposal of Golden Plaza and Nanjing International Center ("NIC"), the Group will concentrate on financial services business in the foreseeable future.

Property development and investment

Golden Plaza, Hong Kong

The rental income derived from Golden Plaza in Hong Kong (after outgoings) for the year under review was approximately HK$28,621,000 (2006: HK$25,831,000), an increase of 11% over last year. Golden Plaza's concept of one-stop shopping experience provides a well established niche market for wedding businesses, hence, resulting in consistent occupancy. The Group owned more than 90% in aggregate from the basement to the 3rd floor of Golden Plaza. As at 31 March 2007, the market value of Golden Plaza was HK$525,000,000 supported by independent professional valuer, comprising an increase of HK$66,300,000 comparing to the carrying value of HK$458,700,000 as at 31 March 2006. In February 2007, a sales and purchase agreement was entered into for disposal of Golden Plaza at HK$530,000,000, the transaction was completed in May 2007.

Nanjing International Center, Nanjing

The Group's jointly controlled entity, NCPC, has a 67% equity interest in Nanjing International Group Limited ("NIG") a joint stock limited liability company incorporated in the PRC which is developing NIC in Nanjing, the PRC. NIC was awarded the "China's Top 10 Landmark Architectures in 2004" by the "China's Top 10 Real Estate" Research Group set up jointly by the Development Research Center of the State Council, the Real Estate Research Center of Tsinghua University and the Index Research Center.

During the year, the construction of Phase I of NIC had not been completed. In March 2007, a sales and purchase agreement was entered into for disposal of the Group's interest in NCPC at HK$125.3 million, the transaction 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 this non-core business of the Group. The disposal would also strengthen the Group's financial position to allow the Group to take on other prosperous business opportunities with additional capital received from the disposal, including, but not limited to, further investments in the financial services businesses.

Financial services

Rongzhong Group Limited ("Rongzhong")

The Group had a 51% equity interest in Rongzhong as at 31 March 2007. For the year ended 31 March 2007, Rongzhong and its subsidiaries ("Rongzhong Group") contributed a turnover of approximately HK$24,876,000 and a loss of approximately HK$31,665,000 (2006: HK$8,091,000 and HK$27,976,000 respectively). The loss for the year was partly due to the recognition of deferred income during the financial year ended 31 March 2007 for certain guarantee contracts. As at 31 March 2007, deferred income of the Group amounted to HK$19,618,000 which was to be recognized in the forthcoming 3 financial years.

During the year, the Chinese Government was promoting on domestic spending, versus exports for economic growth, hence, the local banks were more aggressive in expanding the related consumer finance business. In addition, there is enormous demand for loan guarantee as it is very difficult for PRC individuals to obtain loans without sufficient collateral and/or suitable guarantee, as a result, increasing Rongzhong's turnover. Furthermore, through effective management and internal controls, Rongzhong was able to maintain its expenses at a minimum level; together with increase in turnover, Rongzhong was able to breakeven for the month of December 2006 and making a profit starting from January 2007.

In March 2007, the Group and other shareholders of Rongzhong entered into a subscription agreement pursuant to which all shareholders conditionally agreed to subscribe and Rongzhong conditionally agreed to allot and issue of 25,999,900 new shares on a pro rata basis at the subscription consideration of approximately HK$202,799,000. The transaction was completed in April 2007. The subscription allowed the Group to inject capital in Rongzhong to further tap into the PRC consumer finance market and facilitate the operation of the Rongzhong. In May 2007, the Group further entered into a loan agreement with Rongzhong, pursuant to which the Group conditionally agreed to advance a HK$60 million loan to Rongzhong as general working capital at interest rate of 16% per annum. The transaction was completed in June 2007. As at July 2007, the Group is operating 3 pawn shops in Hubei Province and was engaging in the negotiation of incorporating or acquiring up to 5 additional pawn shops in Chengdu, Chongqing, Shenzhen, Changsha and Jiangsu respectively.

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 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 during the year under review amounted to approximately RMB1,510,131,000 (2006: RMB260,000,000). 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 Merchant Bank
- China Minsheng Banking Corporation
- Industrial Bank
- China Everbright Bank
- Bank of Nanjing

After a long period of the operational reorganization and business fine tuning, guarantee business achieved breakeven and began contributing to the Group's profits starting from December 2006. The guaranteed loan size reached approximately RMB1,452,000,000 for the period from January to May 2007.

2. Secured Consumer Finance (Pawn Shop)

Rongzhong Group was granted a pawn shop license in Wuhan City the PRC by the Ministry of Commerce of the PRC in January 2006. Wuhan Rongzhong Pawn Company Limited was then established in March 2006, and is engaged in the provision of secured consumer finance services. Types of collateral approved under 典當管理辦法 ("the Dian Dang Administration Rules") include, but not limited to, motor vehicles, real estate properties, machines, financial instruments and jewellery etc. According to the "Dian Dang Administration Rules", incomes generated from the pawn shop loans comprise of interest and handling fee. Interest income is determined with reference to the respective interest rate quoted from time to time by The People's Bank of China and the handling fees are charged at up to 4.2% per month. For the year ended 31 March 2007, total loans granted by Wuhan Rongzhong Pawn Company Limited amounted to RMB410,868,000 (2006: RMB1,062,000). The pawn shop loan portfolio continue to achieve a high yield averaging at above 4% per month. The loan demand was increasing continuously and the total loan granted for the period from January to May 2007 was approximately RMB400 million. In February 2007, Rongzhong entered into an agreement to acquire Hanyang Pawn Company Limited ("Hanyang"), the second pawn shop in Wuhan, the acquisition was completed in May 2007. (As at 31 May 2007, Rongzhong maintain a loan portfolio of approximately RMB180 million under 2 pawn shops.) The acquisition of Fu Yuan Pawn Company Limited was completed in July 2007. In June 2007, Rongzhong Group had submitted the application for the incorporation of two additional pawn shops in Chongqing and Jiangsu. In addition, the Group is negotiating, among others, to acquire more pawn shops in Chengdu, Changsha and Shenzhen. The Directors believe that 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 PRC. The Group plans to operate at least one pawn shop in each of the 7 cities that we are providing guarantee services.

3. Credit Cards

To capitalize on 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 the operation flow, to explore co-operating merchants and to develop a diligent information technology platform tailored for this exclusive operation.

With a well-recognized brand reputation and solid foundation in the scope of business, Rongzhong will continue to expand related consumer finance business to other mainland cities when opportunities arise.

Goldbond Capital Holdings Limited ("Goldbond Capital")

As at 31 March 2007, the Group had a 20% equity interest in Goldbond Capital, which contributed a profit after tax of approximately HK$6,061,000 (2006: HK$5,784,000) during the year under review. Goldbond Capital is principally engaged in the provision of investment and financial-related services, including but not limited to securities and futures trading, distribution and placement of listed and unlisted securities, financial advisory, initial public offering and asset management.

During the year, Goldbond Capital acted as sponsor, lead underwriter and co-manager for a number of initial public offer of shares, including Winbox International (Holdings) Limited, Fufeng Group Limited and Hong Long Holdings Limited. Goldbond Capital also acted as placing agent for fund raising exercises, such as placement of shares of Orient Resources Group Company Limited, Wing Shing International and INNOMAXX Biotechnology Group. In July 2007, the Group entered into a conditional agreement to dispose of the entire interest in Goldbond Capital at a consideration of approximately US$10.25 million (equivalent to HK$80 million). The Directors are of the view that the disposal would have a positive impact on the earnings of the Group. The disposal will also strengthen the Group's financial position to allow the Group to take on other business opportunities with the new capital received from the disposal.

Resources investment

In September 2006, Rongzhong entered into an acquisition agreement (the "Acquisition Agreement") with independent third parties, pursuant to which Rongzhong should purchase the entire equity interest in Shen Nong Jia Zhiyue Mining company Limited ("Zhiyue") at a consideration of RMB30,000,000. Zhiyue owns the exploration rights to a natural phosphorous mine located at Hubei Province, the PRC with area of approximately 8.22 square kilometers. Phosphate rock is an important commercial source of phosphorus, which is used in applications such as production of fine china, laundry detergents and most importantly, the production of phosphate fertilizers for agricultural uses. In December 2006, the Acquisition Agreement was terminated as the vendor required extra time to complete the technical expert report required. However, Rongzhong was granted an exclusive right for a period of 28 months from the date of termination to acquire the Mine from the vendor at the same terms and conditions as the Acquisition Agreement.

Future plan

In April 2007, Mr. Wang Jun, the renowned former Chairman of CITIC Group, joined the Company as the Chairman and Executive Director. The business development of the Group will definitely be benefited from Mr. Wang's impeccable business network. In view of the substantial growth in Hong Kong and the PRC economy, together with the immense business opportunities offered by the 2008 Olympic Game in Beijing, the Group will grasp the opportunity to focus and expand its strategic business developments in the financial service industries. As additional pawn shops come into operation, extra financial resources are required. Accordingly, the disposal of Golden Plaza, NIC and Goldbond Capital would allow the Group to conglomerate its resources to further venture in financial service and other prosperous opportunities.

FINANCIAL REVIEW

LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2007, the Group had secured mortgage borrowings of HK$151,006,000 (2006: HK$164,580,000) which bear interest with reference to HIBOR (Hong Kong Inter-bank Offered Rate) or the best lending rate offered by the Group's principal banks and will be repayable by installments till 2013. The aforesaid mortgage borrowing had been fully repaid in May 2007 after the completion of disposal of Golden Plaza. The Group has other secured banking facilities of HK$116,000,000 and RMB90,000,000 (2006: HK$116,000,000) granted by several banks in Hong Kong and the PRC, which were secured by the properties, pledged deposits of approximately US$2,573,000 and RMB4,007,000 plus its interest thereupon, a floating charge over the assets of a subsidiary of the Company, and a corporate guarantee 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$32,000,000 and RMB59,050,000 respectively as at 31 March 2007 (2006: HK$48,500,000).

As at 31 March 2007, the Group had amounts due to a related company in the principal amount of US$2,500,000, HK$22,400,000 and RMB5,000,000 respectively (2006: HK$20,000,000 and RMB5,000,000), which bear interest with reference to the best lending rates offered by the Group's principal banks or the federal reserve target rate offered by the Federal Open Market Committee of the United States of America, and were unsecured and repaid in full in April 2007. Besides, the Group had amounts due to minority shareholders in the principal amount of RMB15,000,000 and HK$3,000,000 respectively (2006: RMB15,000,000 and HK$3,000,000), which bore interest with reference to the best lending rates offered by the Group's principal banks, and were unsecured and repaid in full in April 2007. 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 are interest free and may be converted into ordinary shares of the Company at a conversion price of HK$0.17 per ordinary share, subject to adjustment upon the occurrence of certain events. Upon full conversion, the notes shall be converted into 411,764,705 ordinary shares of the Company.

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 are interest free and may be converted into ordinary shares of the Company at a conversion price of HK$0.129 per ordinary share, subject to adjustment upon the occurrence of certain events. Upon full conversion, the notes shall be converted into 232,558,140 ordinary shares of the Company.

The convertible notes were split into liability and equity components. As at 31 March 2007, the liability component amounted to HK$97,038,000 (2006: HK$88,904,000).

The Group had maintained adequate liquidity with cash and bank balances and cash of HK$46,392,000 (2006: HK$26,292,000). The gearing ratio as at 31 March 2007, measured as total liabilities to total assets, was 54.55% (2006 (restated): 52.59%).

The Group's transaction, monetary assets and liabilities 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 31 March 2007, the Group's banking facilities were granted by several banks in Hong Kong and the PRC, which are secured by the following:

(a) certain investment properties of the Group with an with an aggregate carrying value of HK$520,500,000 (2006: HK$454,900,000) and assignment of the rental income derived therefrom;

(b) a charge over the shares of Perfect Manor Limited, a wholly owned subsidiary of the Company, together with the subordination of the Company's loans to Perfect Manor Limited;

(c) a corporate guarantee of HK$200,000,000 issued by the Company;

(d) pledged deposit of US$2,573,000 (2006: US$2,597,000) equivalent to approximately HK$20,070,000 (2006: HK$20,261,000), and RMB4,007,000 (2006: RMBNil) equivalent to approximately HK$4,007,000 (2006: HK$Nil);

(e) floating charges over interest in subsidiaries and certain assets of Rongzhong with an aggregate carrying value of HK$96,660,000 and HK$47,437,000 respectively (2006: HK$96,660,000 and HK$20,162,000); and

(f) the properties held for sale of the Group with an aggregate carrying value of RMB8,010,000 (2006: RMB7,340,000) equivalent to approximately HK$8,010,000 (2006: HK$7,634,000).

As at 31 March 2007, the guarantee facilities granted to the Group was secured by the security deposits in an aggregate of approximately HK$37,969,000 (2006: HK$18,848,000).

CONTINGENT LIABILITIES

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

(a) The Group has given a guarantee of US$3,750,000, equivalent to approximately HK$29,250,000 (2006: US$3,750,000, equivalent to approximately HK$29,250,000) in respect of banking facilities granted to jointly controlled entity, the Group also pledged its attributable equity interests in the jointly controlled entity for such banking facilities. Upon the Disposal as detailed in note 9, the Group's obligation as guarantor was subsequently released or discharged.

(b) 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 (2006: RMB148,977,000, equivalent to approximately HK$143,247,000) borrowed by a jointly controlled entity.

    Pursuant to such agreements, the Group 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 are 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 Group will, 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. Upon the completion of the Disposal as detailed in note 9, the Group's obligation as guarantor was subsequently released or discharged.

(c) The Group has contingent liabilities in respect of guarantees granted under the financial services business of approximately RMB822,726,000, equivalent to approximately HK$822,726,000 (2006: RMB142,397,000 equivalent to approximately HK$136,920,000) in relation to the provision of the guarantee services in the PRC.

(d) The Company has given a guarantee of HK$200,000,000 to a bank to secure a bank loan on behalf of its subsidiary.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2007, the Group's total number of staff was approximately 585 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 2007 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 ("CG Code") contained in Appendix 14 to Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for certain deviations as specified below:

(1) Under the CG Code, roles of chairman and chief executive officer should be separate. The Board considered the Company has complied with the relevant code provision since the appointment of Mr. Wang Jun as Chairman of the Company on 2 April 2007.

(2) At the annual general meeting held on 13 September 2006, the shareholders of the Company approved to amend certain articles under the articles of association of the Company regarding retirement by rotation of the Directors which were previously deviated from the relevant code provision in the CG Code. Since then, the Board considered that the Company has complied with the relevant code provision.

AUDIT COMMITTEE

The audit committee of the Company comprises three members namely Mr. Ip Yin Wah, 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. Ip Yin Wah, 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 ended 31 March 2007.

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

Hong Kong, 9 July 2007

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, Miss Wong, Michelle Yatyee and Mr. Xie Xiao Qing; (b) the independent non-executive directors of the Company are Mr. Ip Yin Wah, Mr. Ma Ho Fai SBS JP and Mr. Melvin Jitsumi Shiraki.