
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Goldbond Group Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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GOLDBOND GROUP HOLDINGS LIMITED

金榜集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 172)

DISCLOSEABLE AND CONNECTED TRANSACTION

*Independent financial adviser to the independent board committee of
Goldbond Group Holdings Limited*



Menlo Capital Limited

A letter from the Board is set out on pages 3 to 7 of this circular. A letter from the Independent Board Committee is set out on page 8 of this circular.

A letter from Menlo Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee is set out on pages 9 to 14 of this circular.

A notice convening the EGM to be held at JW Marriott Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 25 June 2007, Monday at 10:00 a.m. is set out on pages 24 to 25 of this circular.

Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

8 June 2007

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“associates”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Goldbond Group Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened on 25 June 2007 to consider and, if thought fit, approve the Loan Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising Mr. Ip Yin Wah, Mr. Ma Ho Fai JP and Mr. Melvin Jitsumi Shiraki, being all independent non-executive Directors, established for the purpose of advising the Independent Shareholders in connection with the Loan Agreement and the transactions contemplated thereunder
“Independent Financial Adviser” or “Menlo”	a licensed corporation under the SFO to carry on type 6 (advising on corporate finance) regulated activities
“Latest Practicable Date”	5 June 2007, being the latest practicable date for the purpose of ascertaining certain information contained in this circular
“Legend Crown”	Legend Crown International Limited, a company incorporated in the British Virgin Islands with limited liability and owned by the associates of two Directors
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Loan”	the non-revolving loan of up to HK\$60 million to be advanced by Perfect Honour to Rongzhong BVI pursuant to the terms of the Loan Agreement
“Loan Agreement”	the conditional loan agreement dated 17 May 2007 entered into between Perfect Honour as lender and Rongzhong BVI as borrower
“Mr. Xie”	Mr. Xie Xiao Qing, a Director
“Long Stop Date”	31 August 2007 or such other date as Perfect Honour and Rongzhong BVI may agree in writing
“Perfect Honour”	Perfect Honour Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Plenty Boom”	Plenty Boom Investments Limited, a company incorporated in the British Virgin Islands with limited liability and owned by the associates of two Directors
“PRC”	the People’s Republic of China
“Rongzhong BVI”	Rongzhong Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Rongzhong Group”	Rongzhong BVI and its subsidiaries
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yong Hua”	Yong Hua International Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Xie, a Director
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent



GOLDBOND GROUP HOLDINGS LIMITED

金榜集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 172)

Executive Directors:

Mr. Wang Jun

(Chairman)

Mr. Wong Yu Lung, Charles

(Deputy Chairman and Chief Executive Officer)

Mr. Ding Chung Keung, Vincent

(Deputy Chief Executive Officer)

Mr. Lan Ning

(Deputy Chief Executive Officer, China Region)

Mr. Kee Wah Sze

Mr. Xie Xiao Qing

Miss Wong, Michelle Yatyee

Registered office:

Units 1901-06, 19th Floor

Tower One, Lippo Centre

89 Queensway

Hong Kong

Independent non-executive Directors:

Mr. Ip Yin Wah

Mr. Ma Ho Fai JP

Mr. Melvin Jitsumi Shiraki

8 June 2007

*To the Shareholders and, for information only,
holders of preference shares, convertible notes
and share options of the Company*

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

On 17 May 2007, Perfect Honour, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with Rongzhong BVI, a 51% subsidiary of the Company, pursuant to which Perfect Honour conditionally agreed to advance the Loan to Rongzhong BVI as the general working capital of the Rongzhong Group on the terms and subject to the conditions therein contained.

The purpose of this circular is to provide you with further information regarding, among other things, the Loan Agreement, the recommendation of the Independent Board Committee to the Independent Shareholders and the advice of Menlo to the Independent Board Committee and the Independent Shareholders in relation to the Loan Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

THE LOAN AGREEMENT

Date

17 May 2007

Parties

- (1) Perfect Honour, a wholly-owned subsidiary of the Company
- (2) Rongzhong BVI, a 51% subsidiary of the Company

Principal terms of the Loan

- (1) Subject to the fulfillment of the conditions set out in the Loan Agreement, Perfect Honour will advance, and Rongzhong BVI may drawdown, the Loan;
- (2) subject to an overriding right to demand full repayment of the Loan by Perfect Honour at any time, Rongzhong BVI shall repay the Loan in full on the date falling 36 months from the date of the first drawdown of the Loan;
- (3) interest shall accrue on the Loan at the rate of 16% per annum and shall be payable every 3 months; and
- (4) the Loan shall be used as the general working capital of the Rongzhong Group.

The Loan will be financed by the Company's internal resources.

Pursuant to the terms of the Loan Agreement, Perfect Honour may require Rongzhong BVI to repay the Loan and all indebtedness payable by Rongzhong BVI under the Loan Agreement on demand at any time.

The Loan is unsecured and the interest rate charged by Perfect Honour under the Loan Agreement is determined with reference to the interest rates of less than 16% per annum presently charged under the banking facilities available to the Company.

The Loan Agreement was entered into after arm's length negotiation between Perfect Honour and Rongzhong BVI and the terms of the Loan Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions

The grant of the Loan is subject to, among others, the Company having obtained the approval of the Shareholders (other than those who are required to abstain from voting under the Listing Rules, if any) in respect of the grant of the Loan by Perfect Honour under the Loan Agreement and the performance of the transactions contemplated thereunder in accordance with all applicable law, rules and regulations.

If the conditions set out in the Loan Agreement are not fulfilled by the Long Stop Date, the Loan Agreement will be terminated automatically and have no further force and effect and no party shall have any liability under them save for any antecedent breach of any term thereof.

LETTER FROM THE BOARD

INFORMATION ON THE RONGZHONG GROUP

Rongzhong BVI is an investment holding company incorporated in the British Virgin Islands with limited liability on 3 March 2004. As at the Latest Practicable Date, Rongzhong BVI was owned as to 51%, 39.01%, 5% and 4.99% by Perfect Honour, Yong Hua, Legend Crown and Plenty Boom respectively. Yong Hua's sole beneficial owner, Mr. Xie, is a Director. Each of Legend Crown and Plenty Boom is owned jointly by the associates of Mr. Wong Yu Lung, Charles and Miss Wong, Michelle Yatyee, both Directors.

The Rongzhong Group is principally engaged in the loan guarantee, pawn shop and credit cards businesses and has employed about 600 employees in the PRC.

REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT

The Group is principally engaged in property development and investment and provision of financial services in Hong Kong and the PRC.

As mentioned in the Company's announcement dated 28 March 2007 and its annual report for the financial year ended 31 March 2006, the Directors believe that investment in its financial services business will be a long term strategic move for the Group. Leveraging on the Group's expertise and network in the PRC, the Group will further venture into the PRC consumer finance market with promising prospects. The Group currently operates two pawn shops in Hubei Province, the PRC. In addition, the Group is negotiating, among others, acquiring or incorporating three to five pawn shops in other cities in the PRC.

As it is the intention of the Directors to further develop and expand its financial services business, the Loan will allow the Rongzhong Group to further tap into the PRC consumer finance market and facilitate the operation of the Rongzhong Group and to increase its participation in the prospective growth of loan guarantee businesses and lending business in the PRC.

The provision of the Loan will not have any material impact on the earnings and assets and liabilities of the Group.

GENERAL

As Rongzhong BVI is a non wholly-owned subsidiary and a connected person of the Company under Rule 14A.11(5) of the Listing Rules, the provision of the Loan by Perfect Honour to Rongzhong BVI constitutes a connected transaction under Rule 14A.13(2)(a)(i) of the Listing Rules and is subject to the approval of the independent Shareholders at the EGM under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, no Shareholder is required to abstain from voting on the proposed resolution approving the Loan Agreement and the transactions contemplated thereunder. The provision of the Loan by Perfect Honour to Rongzhong BVI also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

EGM

The provision of the Loan by Perfect Honour to Rongzhong BVI constitutes a discloseable and connected transaction for the Company under the Listing Rules. Accordingly, pursuant to Rule 14A.11(5) of the Listing Rules, it is conditional on approval by the Shareholders at the EGM. A notice convening the EGM to be held at JW Marriott Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 10:00 a.m. on 25 June 2007 is set out on pages 24 to 25 of this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

In compliance with the Listing Rules, the votes on the ordinary resolution proposed to the Shareholders at the EGM will be taken by poll, and the results of which will be announced after the EGM in accordance with the requirement under the Listing Rules.

PROCEDURES FOR DEMANDING A POLL

Under the articles of association of the Company, a poll can be demanded by:

- (a) the Chairman (being a person entitled to vote); or
- (b) at least three members present in person or in the case of a member being a corporation by its duly authorised representatives or by proxy for the time being entitled to vote at the meeting; or
- (c) a member or members present in person or in case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that rights; or
- (e) if required by the Listing Rules, any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing 5% or more of the total voting rights at such meeting.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member.

LETTER FROM THE BOARD

RECOMMENDATION

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the Loan Agreement and the transactions contemplated thereunder are in the interest of the Group and the Shareholders as a whole and are fair and reasonable so far as the Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM approving the Loan Agreement and the transactions contemplated thereunder.

FURTHER INFORMATION

Your attention is drawn to the letters from the Independent Board Committee and the Independent Financial Adviser which are respectively set out on page 8 and pages 9 to 14 of this circular. Additional information is also set out in the appendix to this circular for your information.

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



GOLDBOND GROUP HOLDINGS LIMITED

金榜集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 172)

8 June 2007

To the Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION

We have been appointed as members of the Independent Board Committee to advise you in connection with the Loan Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board contained in the circular to the Shareholders dated 8 June 2007 (the “Circular”), of which this letter forms part. Terms defined in the Circular shall have the same respective meanings when used herein unless the context otherwise requires.

Having considered the terms of the Loan Agreement and the transactions contemplated thereunder and the advice of Menlo in relation thereto as set out on pages 9 to 14 of the Circular, we are of the opinion that the terms of the Loan Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM approving the Loan Agreement and the transactions contemplated thereunder.

Yours faithfully,

Independent Board Committee

Ip Yin Wah Melvin Jitsumi Shiraki Ma Ho Fai JP

Independent non-executive Directors

LETTER FROM MENLO

The following is the text of a letter from Menlo Capital Limited in connection with the discloseable and connected transaction, which has been prepared for the purpose of inclusion in this circular:



Menlo Capital Limited
Unit 06, 1st Floor, Beautiful Group Tower
77 Connaught Road Central
Hong Kong

8 June 2007

*To the Independent Board Committee and the Shareholders of
Goldbond Group Holdings Limited*

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Shareholders on the Loan Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board contained in the circular to the Shareholders dated 8 June 2007 of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

On 17 May 2007, Perfect Honour, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with Rongzhong BVI, a 51% subsidiary of the Company, pursuant to which Perfect Honour conditionally agreed to advance the Loan to Rongzhong BVI as the general working capital of the Rongzhong Group on the terms and subject to the conditions therein contained.

As at Latest Practicable Date, Rongzhong BVI is owned as to 51%, 39.01%, 5% and 4.99% by Perfect Honour, Yong Hua, Legend Crown and Plenty Boom respectively. As Rongzhong BVI is a non wholly-owned subsidiary and a connected person of the Company under the Listing Rules, the provision of the Loan by Perfect Honour to Rongzhong BVI constitutes a connected transaction under the Listing Rules and is subject to the approval of the independent Shareholders at the EGM under the Listing Rules.

The Independent Board Committee, comprising Mr. Ip Yin Wah, Mr. Ma Ho Fai JP and Mr. Melvin Jitsumi Shiraki, all being the independent non-executive Directors, has been formed to advise the Shareholders in relation to the Loan Agreement and the transactions contemplated thereunder.

LETTER FROM MENLO

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Circular which have been provided to us by the Directors and which the Directors consider to be complete and relevant, and have assumed that the statements made were true, accurate and complete at the time they were made and continue to be true on the date of the Circular.

We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due and careful enquiry and are based on honestly-held opinions. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and we have been advised by the Directors that no material facts have been omitted from the information and representations provided in and referred to in the Circular.

We consider that we have received sufficient information to enable us to reach an informed view and to justify our reliance on the accuracy of the information and representations contained in the Circular and to provide a reasonable basis for our view and recommendation. We have no reason to suspect that any material information has been withheld by the Company or by the Directors. We have not, however, carried out any independent investigation into the business and affairs of the Company. We have taken reasonable steps pursuant to the Listing Rules, which include the following:

- (a) obtaining all the information and documents relevant to an assessment of the fairness and reasonableness of the Loan, including but not limited to, the announcement of the Company dated 17 May 2007; the circulars of the Company in relation to Rongzhong BVI dated 25 November 2004, 28 July 2005 and 19 April 2007, the Letter from the Board, the Loan Agreement, the annual report of the Company for the year ended 31 March 2006 and the interim report of the Company for the six months ended 30 September 2006;
- (b) reviewing the performance and financial situation of the Company as well as the reasons and background of the Loan and the terms of the Loan Agreement; and
- (c) confirming that no valuation report is relevant to the Loan Agreement and the transactions contemplated thereunder.

THE LOAN AGREEMENT

Date

17 May 2007

Parties

- (1) Perfect Honour, a wholly-owned subsidiary of the Company
- (2) Rongzhong BVI, a 51% subsidiary of the Company

LETTER FROM MENLO

Principal terms of the Loan

- (1) Subject to the fulfilment of the conditions set out in the Loan Agreement, Perfect Honour will advance, and Rongzhong BVI may drawdown, the Loan;
- (2) subject to an overriding right to demand full repayment of the Loan by Perfect Honour at any time, Rongzhong BVI shall repay the Loan in full on the date falling 36 months from the date of drawdown of the Loan;
- (3) interest shall accrue on the Loan at the rate of 16% per annum and shall be payable every 3 months; and
- (4) the Loan shall be used as the general working capital of the Rongzhong Group.

The Loan will be financed by the Company's internal resources.

The Loan is unsecured and the interest rate charged by Perfect Honour under the Loan Agreement is determined with reference to the interest rates presently charged under the banking facilities available to the Company.

CONDITIONS

The grant of the Loan is subject to, among others, the Company having obtained the approval of the Shareholders (other than those who are required to abstain from voting under the Listing Rules, if any) in respect of the grant of the Loan by Perfect Honour under the Loan Agreement and the performance of the transactions contemplated thereunder in accordance with all applicable law, rules and regulations.

If the conditions set out in the Loan Agreement are not fulfilled by the Long Stop Date, the Loan Agreement will be terminated automatically and have no further force and effect and no party shall have any liability under them save for any antecedent breach of any term thereof.

Pursuant to the terms of the Loan Agreement, Perfect Honour may require Rongzhong BVI to repay the Loan and all indebtedness at any time. We are of the view that the terms of overriding right to demand full repayment of the Loan will provide Perfect Honour the flexibility of calling back the principal and all indebtedness from Rongzhong BVI at any time at the discretion of the Company, which is in the interest of the Group and the independent Shareholders as a whole.

Perfect Honour has advanced to Rongzhong BVI twice in the past, (i) pursuant to the subscription agreement dated 1 November 2004, a shareholder's loan of RMB42,000,000 being advanced at the best lending rate of HK\$ loans as quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time (the "Prime Rate"); and (ii) pursuant to the terms of the loan agreement dated 27 June 2005, a loan of up to HK\$17 million being advanced at the rate of 2% above the Prime Rate, which interest rates were in line with the other loans

LETTER FROM MENLO

provided by the Group to its associated companies in 2004. The Directors confirmed that the Loan to be granted at the interest rate of 16% per annum is higher than the interest rates presently charged under the banking facilities available to the Company and also higher than all the other loans advanced to the subsidiaries and associated companies of the Group. Since Rongzhong BVI is also owned by the other shareholders, we are of the view that the Loan to be granted at a higher interest rate is in the interests of the Group and the independent Shareholders as a whole.

We have reviewed the terms and conditions of the Loan Agreement and note that there is no irregular terms other than the term of overriding right to demand full repayment of the Loan. We are of the view that the connected transaction contemplated under the Loan Agreement is on normal commercial basis and are fair and reasonable to the Group and the Shareholders as a whole.

INFORMATION ON THE RONGZHONG GROUP

Rongzhong BVI is an investment holding company incorporated in the British Virgin Islands with limited liability on 3 March 2004. As at the Latest Practicable Date, Rongzhong BVI is owned as to 51%, 39.01%, 5% and 4.99% by Perfect Honour, Yong Hua, Legend Crown and Plenty Boom respectively. Yong Hua's sole beneficial owner, Mr. Xie, is a Director. Each of Legend Crown and Plenty Boom is owned jointly by the associates of Mr. Wong Yu Lung, Charles and Wong, Michelle Yatyee, both Directors.

The Rongzhong Group is principally engaged in the loan guarantee, pawn shop and credit cards businesses and has employed about 600 employees in the PRC.

REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT

The Group is principally engaged in property development and investment and provision of financial services in Hong Kong and the PRC.

As mentioned in the Company's announcement dated 28 March 2007 and its annual report for the financial year ended 31 March 2006, the Directors believe that investment in financial services business will be a long term strategic move for the Group. Leveraging on the Group's expertise and network in the PRC, the Group will further venture into the PRC consumer finance market with promising prospects. The Group currently operates two pawn shops in Hubei Province, the PRC. In addition, the Group is negotiating, among others, acquiring or incorporating three to five pawn shops in other cities in the PRC.

As it is the intention of the Directors to further develop and expand its financial services business, the Loan will allow Rongzhong BVI to further tap into the PRC consumer finance market and facilitate the operation of the Rongzhong Group and to increase its participation in the prospective growth of loan guarantee businesses and lending business in the PRC.

LETTER FROM MENLO

To align with the principal activities of the provision of financial services in Hong Kong and the PRC, we are of the view that it is in the interest of the Company to increase the Group's participation in the prospective growth of loan guarantee businesses and lending business in the PRC through facilitating the operation of the Rongzhong Group to further tap into the PRC consumer finance market. We are also of the view that the Loan Agreement and the transactions contemplated thereunder are in the ordinary course of business.

Financial effects of the Loan

Rongzhong BVI is a 51% direct subsidiary of Perfect Honour which is a wholly owned subsidiary of the Company. Therefore, Rongzhong BVI is an indirect subsidiary of the Company. Accordingly, the Loan of up to HK\$60 million to be advanced by Perfect Honour to Rongzhong BVI has no impact on the financial position, including working capital position, of the Company on a consolidated basis immediately upon the advancement of the Loan.

We are of the view that the Loan is expected to have positive effects on the financial situation of the Group in long run, including the positive impacts on the earnings and net assets value of the Group once the increase in participation in the prospective growth of loan guarantee businesses and lending business in the PRC generates regular income to the Group.

OPINION

Having taken into consideration of the above principal factors and reasons, in particular:

1. the grant of the Loan will enable the Group to increase its participation in the prospective growth of loan guarantee businesses in the PRC which is in line with the Group's strategy to further develop and expand its financial services business and to further tap into the PRC consumer finance market;
2. the proceeds from the Loan is intended to be utilised as working capital of the Rongzhong Group which has no impact on the consolidated financial position of the Company;
3. the Loan is expected to have positive effects on the financial situation of the Group, including the positive impacts on the earnings and net assets value of the Group in long run;
4. the terms of the Loan Agreement and the transactions contemplated thereunder are in the interest of the Group and the Shareholders as a whole; and
5. the terms of the Loan Agreement are fair and reasonable so far as the interests of the Shareholders are concerned.

LETTER FROM MENLO

RECOMMENDATION

We are of the view that the entering into the Loan Agreement and the transactions contemplated thereunder are in ordinary course of business, on normal commercial basis and in the interests of the Group and the Shareholders as a whole and that the terms of the Loan Agreement are fair and reasonable so far as the interests of the Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM approving the Loan Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Menlo Capital Limited
Michael Leung
Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and that there are no other facts the omission of which would make any statement contained herein misleading.

2. DISCLOSURE OF INTERESTS

A. Interests of the Directors and chief executive in securities

As at the Latest Practicable Date, save as disclosed herein, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”), to be notified to the Company and the Stock Exchange:

(i) Interests in Shares

Name of Director	Nature of interest	Number of Shares	Approximate shareholding percentage
Mr. Wong Yu Lung, Charles (“Mr. Wong”)	Corporate	497,232,000 <i>(Note 1)</i>	28.35%
Mr. Kee Wah Sze (“Mr. Kee”)	Corporate	338,888,343 <i>(Note 2)</i>	19.32%
Mr. Wang Jun (“Mr. Wang”)	Corporate	67,001,300 <i>(Note 3)</i>	3.82%
Mr. Lan Ning (“Mr. Lan”)	Corporate	66,700,000 <i>(Note 4)</i>	3.80%
	Personal	8,000,000	0.46%
Mr. Ding Chung Keung, Vincent (“Mr. Ding”)	Personal	14,000,000	0.80%
Mr. Melvin Jitsumi Shiraki (“Mr. Shiraki”)	Personal	2,100,000	0.12%
Mr. Ip Yin Wah	Personal	1,600,000	0.09%
Mr. Ma Ho Fai JP	Personal	1,200,000	0.07%

Notes:

1. These Shares were held by Allied Luck Trading Limited, which is owned as to 50% by Mr. Wong and as to 50% by Mrs. Wong Fang Pik Chun (“Mrs. Wong”), the spouse of Mr. Wong. Mr. Wong was deemed to be interested in all these Shares by virtue of his shareholding interests in Allied Luck Trading Limited.
2. These Shares were held by Ace Solomon Investments Limited (which is owned as to 89% by Mr. Kee and as to 11% by Mr. Wong), Mr. Kee was deemed to be interested in all these Shares by virtue of his shareholding interests in Ace Solomon Investments Limited.
3. These Shares were held by Canasia Profits Corporation, a company wholly-owned by Mr. Wang; and
4. These Shares were held by Ease Ample Limited, a company wholly-owned by Mr. Lan.

(ii) Interests in underlying Shares pursuant to convertible notes

Name of Director	Nature of interest	Underlying Shares pursuant to convertible notes	Date of issue of convertible note	Conversion price per Share (subject to adjustment)	Exercise period	Approximate % of the enlarged issued share capital of the Company (upon issue of Shares under convertible notes)
						(Note 3)
Mr. Wong	Corporate	411,764,705 (Note 1)	5 August 2004	HK\$0.170	5 August 2004 to 3 August 2007	17.17%
Mr. Kee	Corporate	232,558,140 (Note 2)	31 December 2004	HK\$0.129	31 December 2004 to 3 August 2007	9.7%

Notes:

1. The convertible note was held by Wah Link Investments Limited, a company owned as to 99.9996% by Golden Cloud Holdings Group Limited and 0.0004% by Gold Choice Management Limited. Each of Golden Cloud Holdings Group Limited and Gold Choice Management Limited is directly owned as to 51% by Mr. Wong Yu Hung, Davy, a family member of Mr. Wong, and 49% by Mrs. Wong. Mr. Wong was taken to be interested in the underlying Shares under the SFO.
2. The convertible note was held by Goldbond Capital Investment Holdings Limited, a company wholly owned by Legend (Asia Pacific) Investment Limited, which in turn, is owned as to 90% by Grace Honour Limited (which is wholly owned by Mr. Kee) and as to 10% by Central Executive Limited (which is wholly owned by Mr. Wong). Mr. Kee was taken to be interested in the underlying Shares under the SFO.
3. Assuming the aforesaid convertible notes but no other option or convertible notes (if any) are being fully exercised.

(iii) Interests in underlying Shares pursuant to share options

Name of Director	Nature of interest	No. of share options granted	Date of grant	Subscription price	Exercise period
Mr. Ding	Personal	8,000,000	7 July 2006	HK\$0.21	1 January 2010 to 6 July 2016
Mr. Kee	Personal	12,000,000	8 November 2004	HK\$0.148	1 January 2007 to 7 November 2014
Mr. Wong	Personal	16,000,000	8 November 2004	HK\$0.148	1 January 2007 to 7 November 2014
Miss Wong, Michelle Yatyee ("Miss Wong")	Personal	16,000,000	29 March 2007	HK\$0.256	29 March 2010 to 28 March 2017
Mr. Xie	Personal	16,000,000	29 March 2007	HK\$0.256	29 March 2010 to 28 March 2017
Mr. Shiraki	Personal	1,600,000	29 July 2005	HK\$0.132	1 January 2007 to 28 July 2015

(iv) Interests in shares of the associated corporation

Name of Director	Nature of interest	Number of ordinary shares in Goldbond Capital Holdings Limited	Percentage of the issued share capital
Mr. Kee	Corporate	75,000,000	50%

All the interests stated above represent long positions.

B. Substantial Shareholders

As at the Latest Practicable Date, save as disclosed below, so far as known to the Directors and chief executive of the Company, no person (other than a Director or chief executive of the Company) had any interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

(i) Interests in Shares

Name	Number of Shares	Approximate shareholding percentage
Allied Luck Trading Limited <i>(Note 1)</i>	497,232,000	28.35%
Mrs. Wong	497,232,000 <i>(Note 2)</i>	28.35%
Ace Solomon Investments Limited <i>(Note 3)</i>	338,888,343	19.32%
Mrs. Kee Yip Yue Lin, Loolina ("Mrs. Kee")	338,888,343 <i>(Note 4)</i>	19.32%

Notes:

- Allied Luck Trading Limited is owned as to 50% by Mr. Wong and as to 50% by Mrs. Wong.
- Mrs. Wong was deemed to be interested in such Shares by virtue of her and her spouse's shareholding interests in Allied Luck Trading Limited.
- Ace Solomon Investments Limited is owned as to 11% by Mr. Wong and as to 89% by Mr. Kee, both being Directors.
- Mrs. Kee was taken to be interested in such Shares under the SFO by virtue of her spouse, Mr. Kee's shareholding interests in Ace Solomon Investments Limited.

(ii) Interests in underlying Shares pursuant to convertible notes

Name	Underlying Shares pursuant to convertible notes issued	Date of issue of convertible note	Conversion price (subject to adjustment) per Share	Exercise period	Approximate % of the enlarged issued share capital of the Company (upon issue of Shares under convertible notes) (Note 3)
Wah Link Investments Limited	411,764,705 (Note 1)	5 August 2004	HK\$0.170	5 August 2004 to 3 August 2007	17.17%
Golden Cloud Holdings Group Limited	411,764,705 (Note 1)	5 August 2004	HK\$0.170	5 August 2004 to 3 August 2007	17.17%
Mrs. Wong	411,764,705 (Note 1)	5 August 2004	HK\$0.170	5 August 2004 to 3 August 2007	17.17%
Mr. Wong Yu Hung, Davy	411,764,705 (Note 1)	5 August 2004	HK\$0.170	5 August 2004 to 3 August 2007	17.17%
Goldbond Capital Investment Holdings Limited	232,558,140 (Note 2)	31 December 2004	HK\$0.129	31 December 2004 to 3 August 2007	9.7%
Legend (Asia Pacific) Investment Limited	232,558,140 (Note 2)	31 December 2004	HK\$0.129	31 December 2004 to 3 August 2007	9.7%
Grace Honour Limited	232,558,140 (Note 2)	31 December 2004	HK\$0.129	31 December 2004 to 3 August 2007	9.7%
Mrs. Kee	232,558,140 (Note 2)	31 December 2004	HK\$0.129	31 December 2004 to 3 August 2007	9.7%

Notes:

- The convertible note was held by Wah Link Investments Limited, a company owned as to 99.9996% by Golden Cloud Holdings Group Limited and 0.0004% by Gold Choice Management Limited. Each of Golden Cloud Holdings Group Limited and Gold Choice Management Limited is directly owned as to 51% by Mr. Wong Yu Hung, Davy, a family member of Mr. Wong and as to 49% by Mrs. Wong. Each of Golden Cloud Holdings Group Limited, Mrs. Wong and Mr. Wong Yu Hung, Davy was respectively taken to have an interest in the underlying Shares under the SFO.
- The convertible note was held by Goldbond Capital Investment Holdings Limited, a company wholly owned by Legend (Asia Pacific) Investment Limited, which in turn, is owned as to 90% by Grace Honour Limited (which is wholly owned by Mr. Kee) and as to 10% by Central Executive Limited (which is wholly owned by Mr. Wong). Each of Legend (Asia Pacific) Investment Limited, Grace Honour Limited and Mrs. Kee (the spouse of Mr. Kee) was taken to have an interest in the underlying Shares under the SFO.
- Assuming the aforesaid convertible notes but no other option or convertible notes (if any) are being fully exercised.

(iii) Interests in underlying Shares pursuant to share options

Name	Nature of interest	No. of share options granted	Date of grant	Subscription price	Exercise period
Mrs. Wong	Family (Note 1)	16,000,000	8 November 2004	HK\$0.148	1 January 2007 to 7 November 2014
Mrs. Kee	Family (Note 2)	12,000,000	8 November 2004	HK\$0.148	1 January 2007 to 7 November 2014

Notes:

1. The share options were held by Mr. Wong, the spouse of Mrs. Wong and as such, she was deemed to be interested in such share options under the SFO.
2. The share options were held by Mr. Kee, the spouse of Mrs. Kee and as such, she was deemed to be interested in such share options under the SFO.

All the interests stated above represent long positions.

(iv) Interests in other members of the Group

Name of members of the Group	Name	Capacity	Shareholding percentage
Rongzhong BVI	Mr. Xie	Beneficial owner	39.01%

- C. As at the Latest Practicable Date, save as disclosed below, none of the Directors is a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO:

Name of Director	Name of company which had such discloseable interest or short position	Position within such company
Mr. Kee	Ace Solomon Investments Limited	Director
	Grace Honour Limited	Director
	Goldbond Capital Investment Holdings Limited	Director
	Legend (Asia Pacific) Investment Limited	Director
Mr. Wong	Ace Solomon Investments Limited	Director
	Allied Luck Trading Limited	Director
	Grace Honour Ltd	Director
	Goldbond Capital Investment Holdings Limited	Director
	Golden Cloud Holdings Group Limited	Director
	Legend (Asia Pacific) Investment Limited	Director
Miss Wong	Goldbond Capital Investment Holdings Limited	Director
	Golden Cloud Holdings Group Limited	Director
	Legend (Asia Pacific) Investment Limited	Director
	Wah Link Investments Limited	Director

- D. (i) Pursuant to an agreement dated 25 January 2006, the Company provided an unsecured revolving facility in the amount of up to HK\$40 million to Goldbond Capital Holdings Limited (“GCHL”) for a term of three years commencing from 25 January 2006 (the “GCHL Revolving Facility Agreement”). As at the Latest Practicable Date, GCHL was a company owned as to 20% by Flourish Global Limited (a wholly-owned subsidiary of the Company), as to 50% by Goldbond Capital Investment Holdings Limited (a company indirectly owned as to 90% by Mr. Kee and 10% by Mr. Wong, both Directors), as to 20% and 10% by two independent third parties respectively. Further details of the GCHL Revolving Facility Agreement have been set out in the announcement of the Company dated 26 January 2006.
- (ii) Pursuant to a tenancy agreement dated 28 April 2006, Rongzhong BVI leased a property as its office in Hong Kong at a monthly rental of HK\$22,000 (exclusive of management fees, rates, government rent and operating expenses) for two years commencing from 1 May 2006 from a company beneficially owned by Mrs. Wong and a close relative of Mr. Wong. Further details of the tenancy agreement have been set out in the announcement of the Company dated 28 April 2006.
- (iii) Pursuant to a tenancy agreement dated 23 April 2007, the Company leased a property as its registered office at a monthly rental of HK\$143,000 (exclusive of management fees, rate, government rent and operating expenses) for a period from 24 April 2007 to 30 April 2008 (both dates inclusive) from a company beneficially owned by Mrs. Wong and a close relative of Mr. Wong. Further details of the tenancy agreement have been set out in the announcement of the Company dated 25 April 2007.

Save as disclosed herein, there is no other contract or arrangement subsisting at the date of this circular in which a Director is materially interested and which is significant to the business of the Group.

Save as disclosed above, none of the Directors has or has had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2006, being the date to which the latest published audited accounts of the Company were made up.

3. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or the chief executive of the Company and their respective associates had any interest in a business which competes or may compete with the business of the Group.

4. SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (other than contracts expiring or determinable by any member of the Group within one year without payment of compensation, other than statutory compensation).

5. LITIGATION

So far as the Directors were aware, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was pending or threatened against or by the Company or any of its subsidiaries.

6. MATERIAL ADVERSE CHANGE

Save as disclosed in this circular, as at the Latest Practicable Date, the Directors confirm there was no material adverse change in the financial or trading position of the Group since 31 March 2006, the date to which the latest published audited consolidated financial statements of the Company were made up.

7. EXPERT

- (a) The following is the qualification of the expert which has given its opinion or advice contained in this circular:

Name	Qualifications
Menlo	A licensed corporation under the SFO to carry on type 6 regulated activities

- (b) As at the Latest Practicable Date, Menlo did not have any direct or indirect shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate any person to subscribe for securities in any member of the Group.
- (c) Menlo has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they are included.

- (d) Menlo was not interested, directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2006, the date to which the latest published audited financial statements of the Company were made up.
- (e) The letter from Menlo is given as of the date of this circular for incorporation herein.

8. GENERAL

- (a) The secretary of the Company is Ms. Li Yu Lian, Kelly, an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of the Institute of Chartered Secretaries and Administrators.
- (b) The qualified accountant of the Company is Mr. Pau Wai Yuen, an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.
- (c) The Company's registered office is at Units 1901-06, 19th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong.
- (d) The English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at Units 1901-06, 19th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong during normal office hours on any weekday, except public holidays, from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the audited consolidated financial statements of the Company and its subsidiaries for the two financial years ended 31 March 2006;
- (c) the unaudited consolidated financial statement of the Company and its subsidiaries for the six months ended 30 September 2006;
- (d) the letter of consent referred to under the paragraph headed "Expert" in this appendix; and
- (e) the Loan Agreement.



GOLDBOND GROUP HOLDINGS LIMITED

金榜集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 172)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the shareholders of Goldbond Group Holdings Limited (the “Company”) will be held at 10:00 a.m. on Monday, 25 June 2007 at JW Marriott Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as ordinary resolution:

ORDINARY RESOLUTION

“THAT:

- (a) the entering into of the conditional loan agreement dated 17 May 2007 (the “Loan Agreement”) between Perfect Honour Limited (“Perfect Honour”) (a wholly-owned subsidiary of the Company) as lender and Rongzhong Group Limited (the “Borrower”) as borrower, a copy of which has been produced to the meeting marked “A” and initialled by the Chairman of the meeting for the purpose of identification, whereby Perfect Honour has conditionally agreed to advance a loan of up to HK\$60 million to the Borrower, upon the terms and subject to the conditions therein contained, be and is hereby approved, confirmed and ratified and the performance of the transactions contemplated under the Loan Agreement by Perfect Honour be and is hereby approved; and
- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company to do all acts and things and execute and deliver all documents whether under the common seal of the Company or otherwise as may be necessary, desirable or expedient to carry out or to give effect to any or all transactions contemplated under the Loan Agreement.”

By Order of the Board
Kelly Li
Company Secretary

Hong Kong, dated 8 June 2007

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered office:

Units 1901-06, 19th Floor
Tower One, Lippo Centre
89 Queensway
Hong Kong

Notes:

1. Any shareholder of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not to be a shareholder of the Company.
2. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority shall be deposited at the office of the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for the holding of the meeting or any adjournment thereof, and in default, the instrument of proxy shall not be treated as valid.
3. Completion and return of the form of proxy will not preclude the appointor from attending and voting in person at the meeting or any adjournment thereof. In that event, such form of proxy will be deemed to have been revoked.
4. In the case of joint holders of any share of the Company, only the person whose name stands first on the register of members may vote at the meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto, but any one of the joint holders may be appointed as proxy to vote on behalf of such joint holders, and as such proxy to attend and vote at the meeting.