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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any 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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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)****MAJOR AND CONNECTED TRANSACTION  
DISCLOSEABLE AND CONNECTED TRANSACTION****Independent financial adviser to the independent board committee of  
Goldbond Group Holdings Limited****Menlo Capital Limited**

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A letter from the Board is set out on pages 5 to 17 of this circular. A letter from the Independent Board Committee is set out on page 18 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 19 to 30 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 Thursday, 10 May 2007 at 10:00 a.m. is set out on pages 52 to 53 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 holding of the EGM. 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.

19 April 2007

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## DEFINITIONS

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

“Bateson” or “Purchaser”	Bateson Investment Limited, a company incorporated in the British Virgin Islands with limited liability and is interested in 50% of Nanjing City Plaza. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company
“Board”	the board of Directors
“Company”	Goldbond Group Holdings Limited, a company incorporated in Hong Kong with limited liability with its issued Shares listed on the Stock Exchange
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	disposal of the entire issued share capital of, and loan to, Sino Dynasty by the Company to the Purchaser pursuant to the GGHL S&P Agreement
“Disposal Consideration”	approximately HK\$125.3 million, being the consideration for the Disposal
“DTZ”	DTZ Debenham Tie Leung Limited, registered professional surveyors
“EGM”	the extraordinary general meeting of the Company to be convened on 10 May 2007 to approve the GGHL S&P Agreement and the transactions contemplated thereunder
“GGHL S&P Agreement”	the conditional agreement dated 18 March 2007 entered into between the Company and the Purchaser in relation to the Disposal
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Financial Adviser” or “Menlo”	a licensed corporation under the SFO to carry on type 6 (advising on corporate finance) regulated activities
“Independent Shareholder(s)”	the independent shareholder(s) of the Company
“Issuer” or “Rongzhong BVI”	Rongzhong Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Latest Practicable Date”	13 April 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 a Director
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wong”	Mr. Wong Yu Lung, Charles, a Director
“Mr. Xie”	Mr. Xie Xiao Qing, appointed as a Director with effect from 10 April 2007
“Nanjing City Plaza”	南京國際商城建設有限公司 (Nanjing City Plaza Construction Co. Ltd.*), a wholly foreign owned enterprise established in accordance with the laws of the PRC
“Nanjing International”	南京國際集團股份有限公司 (Nanjing International Group Limited*), a company owned as to approximately 67% by Nanjing City Plaza
“Nanjing Project”	南京國際廣場一期項目南京國際廣場二期項目 (Nanjing International Center Phase I Project* and Nanjing International Center Phase II Project*)
“NJ Completion”	completion of the transactions contemplated under the GGHL S&P Agreement
“NJ Completion Date”	subject to the fulfillment of all the conditions set out in the GGHL S&P Agreement, the NJ Long Stop Date or such other date as the parties to the GGHL S&P Agreement may agree in writing

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## DEFINITIONS

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“NJ Long Stop Date”	31 May 2007, or the date falling 21 days after the date on which the conditions precedent to the NJ Completion are fulfilled (whichever is later) but in any event not later than 21 June 2007, or such other date as the Company and the Purchaser 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
“PRC”	the People’s Republic of China
“Rongzhong Group”	Rongzhong BVI and its subsidiaries
“RZ Completion”	completion of the Subscription Agreement
“RZ Completion Date”	within 10 business days after fulfillment or waiver (if applicable) of all the conditions set out in the Subscription Agreement or such other date as the parties to the Subscription Agreement may agree in writing
“RZ Long Stop Date”	30 June 2007 or such other date as the parties to the Subscription Agreement may agree in writing
“S&P Agreements”	the GGHL S&P Agreement and the Wah Link S&P Agreement, and each of them, the S&P Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Subscription”	subscription of new shares of Rongzhong BVI by Perfect Honour pursuant to the terms of the Subscription Agreement
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Sino Dynasty”	Sino Dynasty Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company as at the date of the GGHL S&P Agreement

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## DEFINITIONS

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	Perfect Honour, Yong Hua and Legend Crown
“Subscription Agreement”	the subscription agreement dated 20 March 2007 entered into between the Subscribers and Rongzhong BVI
“Subscription Consideration”	the relevant consideration for the Subscription Shares payable by each of the Subscribers
“Subscription Shares”	the relevant new shares of Rongzhong BVI to be subscribed by each of the Subscribers as set out in the Subscription Agreement
“Vendors”	the Company and Wah Link, and each of them, the Vendor
“Wah Link”	Wah Link Investments Limited, a company incorporated in Hong Kong, which is beneficially owned as to 51% by a family member of Mr. Wong Yu Lung, Charles, a Director, and 49% by his spouse
“Wah Link Real Estate”	Wah Link Real Estate Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of Wah Link as at the date of the Wah Link S&P Agreement
“Wah Link S&P Agreement”	the conditional agreement dated 18 March 2007 entered into between Wah Link and the Purchaser in relation to the disposal of the entire issued share capital of, and loan to, Wah Link Real Estate by Wah Link to the Purchaser
“Yong Hua”	Yong Hua International Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Xie
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent
“sq.ft.”	square feet

*Note:* For the purpose of this circular, unless otherwise specified, amounts denominated in Renminbi have been translated for the purpose of illustration only into Hong Kong dollars at the exchange rate of RMB1.00 = HK\$1.00, and amounts denominated in US dollars have been translated for the purpose of illustration only into Hong Kong dollars at the exchange rate of US\$1.00 = HK\$7.80.

\* *for identification purposes only*

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Wang Jun (*appointed on 2 April 2007*)  
Mr. Wong Yu Lung, Charles  
Mr. Ding Chung Keung, Vincent  
Mr. Lan Ning  
Mr. Kee Wah Sze  
Mr. Xie Xiao Qing (*appointed on 10 April 2007*)  
Miss Wong, Michelle Yatyee

*Registered office:*

Unit 3901A, 39th Floor  
Tower 1, Lippo Centre  
89 Queensway  
Hong Kong

*Independent non-executive Directors:*

Mr. Ip Yin Wah  
Mr. Ma Ho Fai JP  
Mr. Melvin Jitsumi Shiraki

19 April 2007

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

Dear Sir or Madam,

### **MAJOR AND CONNECTED TRANSACTION**

### **DISCLOSEABLE AND CONNECTED TRANSACTION**

#### **INTRODUCTION**

##### **The Disposal**

It was announced on 28 March 2007 that on 18 March 2007, the Company entered into the GGHL S&P Agreement with the Purchaser, pursuant to which the Company conditionally agreed to sell and the Purchaser conditionally agreed to acquire from the Company the entire issued share capital of, and loan to, Sino Dynasty at the Disposal Consideration. Sino Dynasty holds 25% interests in Nanjing City Plaza. On 18 March 2007, Wah Link also entered into the Wah Link S&P Agreement with the Purchaser, pursuant to which Wah Link conditionally agreed to sell and the Purchaser conditionally agreed to acquire from Wah Link the entire issued share capital of, and loan to, Wah Link Real Estate, which holds 25% interests in Nanjing City Plaza.

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## LETTER FROM THE BOARD

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The Disposal constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules and therefore is subject to the approval by the Shareholders at a general meeting under Rule 14.44 of the Listing Rules. In addition, the Disposal also constitutes a connected transaction for the Company under Rule 14A.13(1)(b)(i) of the Listing Rules. Since Wah Link is an associate of Mr. Wong, Mr. Wong and his associates will be required to abstain from voting in respect of the proposed resolution approving the Disposal.

### **The Share Subscription**

On 20 March 2007, Perfect Honour, Yong Hua and Legend Crown entered into the Subscription Agreement with Rongzhong BVI pursuant to which Perfect Honour, Yong Hua and Legend Crown conditionally agreed to subscribe and Rongzhong BVI conditionally agreed to allot and issue 13,259,949, 11,439,956 and 1,299,995 Subscription Shares respectively, on a pro rata basis, at the Subscription Consideration of HK\$103,427,602.20, HK\$89,231,656.80 and HK\$10,139,961 respectively.

As at the date of this circular, Rongzhong BVI is owned as to 51%, 44% and 5% by Perfect Honour, Yong Hua and Legend Crown respectively. As the subscription of the Subscription Shares is made on a pro rata basis, RZ Completion will not result in any changes in the shareholding structure of Rongzhong BVI.

The Share Subscription constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

Yong Hua is a substantial shareholder holding 44% in Rongzhong BVI, which is a non-wholly owned subsidiary of the Company, and Yong Hua's sole beneficial owner, Mr. Xie, was a director of Rongzhong BVI within the preceding 12 months and thus he is a connected person of the Company. Under Chapter 14A of the Listing Rules, Rongzhong BVI is a connected person of the Company as Rongzhong BVI is an associate (as defined in the Listing Rules) of Mr. Xie. Mr. Xie remains a director of Rongzhong BVI's subsidiaries. As at the date of the entering into of the Subscription Agreement, Mr. Xie was not interested in any Shares.

The Share Subscription therefore also constitutes a connected transaction for the Company under Rule 14A.13(1)(a) of the Listing Rules. Accordingly, the Subscription Agreement is subject to the approval of the Shareholders at a general meeting of the Company under Rule 14A.43 of the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting in respect of the proposed resolution approving the Share Subscription.

As the Company has obtained a written approval of the Subscription Agreement and the transactions contemplated thereunder from the closely allied group of Shareholders who together hold 836,120,343 Shares, representing approximately 50.1% of the total voting rights of the Company as at the date of the Subscription Agreement, the Company has applied to the Stock Exchange for acceptance of such written approval, in lieu of holding a general meeting of the Company and the Stock Exchange was granted its approval to the Company.

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## LETTER FROM THE BOARD

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The purpose of this circular is to give you, among others, further details of (i) the terms of the Disposal and the Share Subscription; (ii) other disclosures in connection with the Disposal and the Share Subscription required pursuant to the Listing Rules; and (iii) a notice of EGM for the purpose of seeking the approval of the Disposal by the Shareholders.

### THE GGHL S&P AGREEMENT

#### Date

18 March 2007

#### Parties

Vendor: the Company.

Purchaser: Bateson, a company interested in 50% of Nanjing City Plaza.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

#### Assets to be disposed of

The entire issued share capital of, and loan to, Sino Dynasty.

#### Disposal Consideration

The Disposal Consideration of approximately HK\$125.3 million was determined after arm's length negotiations between the Company and the Purchaser and after taking into consideration (i) the net asset value of Sino Dynasty of approximately HK\$7.9 million as at 30 September 2006 and; (ii) the shareholder's loan provided by the Company to Sino Dynasty of approximately HK\$101.4 million as at 30 September 2006.

#### Terms of payment

The Disposal Consideration shall be paid by the Purchaser to the Company in the following manner:

- (a) HK\$3.0 million has been paid as deposit and in part payment of the Disposal Consideration upon signing of the GGHL S&P Agreement (the "Deposit"); and
- (b) the remaining balance of approximately HK\$122.3 million (the "Remaining Consideration") shall be paid, at the election of the Purchaser, on the NJ Completion Date or within one year of the NJ Completion Date provided that the Purchaser shall

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## LETTER FROM THE BOARD

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pay, in addition to the Disposal Consideration, interest calculated at simple rate of 6% per annum on the balance of the Remaining Consideration from the NJ Completion Date to the date of full payment and that the Purchaser has procured and delivered to the Company an unconditional and irrevocable letter of guarantee issued in favour of the Company by a licensed bank in Hong Kong guaranteeing the payment of the Remaining Consideration and the interest accrued thereon as aforesaid.

If the conditions set out under the paragraph headed “Conditions precedent” below are not fulfilled by the NJ Long Stop Date, the GGHL S&P Agreement shall automatically lapse and of no further effect. In the event that condition (2) set out in the paragraph headed “Conditions precedent” below is satisfied within the agreed time period but conditions (1) and/or (3) set out in the paragraph headed “Conditions precedent” below is/are not satisfied by the NJ Long Stop Date, the Purchaser shall forthwith pay the Company a sum of HK\$500,000 which together with the Deposit shall be absolutely forfeited in favour of the Company as an agreed compensation for all costs and expenses incurred and to be incurred by the Company in connection with the entering into of the GGHL S&P Agreement. Save as in the aforesaid event or in the event the Purchaser fails to comply with the terms of the GGHL S&P Agreement or to complete in accordance with the terms thereof, the Deposit shall forthwith be refunded to the Purchaser in full within seven days after the NJ Long Stop Date.

### **Conditions precedent**

According to the GGHL S&P Agreement, completion of the Disposal is conditional upon fulfillment of the following conditions:

- (1) the obligations and liabilities of the Company in relation to its commitment to Nanjing Project under certain documents having been fully and absolutely released and discharged;
- (2) the Company shall have obtained the necessary approval from its members in respect of the GGHL S&P Agreement and performance of the transactions contemplated thereby in accordance with the rules and regulations applicable to the Company; and
- (3) the Wah Link S&P Agreement becoming unconditional in all respects, other than the condition requiring the GGHL S&P Agreement to become unconditional.

Neither the Company nor the Purchaser has the right to waive the conditions as mentioned above. As of the date of this circular, none of the conditions set out above has been fulfilled.

### **NJ Completion**

Subject to the conditions contained in the GGHL S&P Agreement having been fulfilled, NJ Completion shall take place simultaneously with completion of the Wah Link S&P Agreement on the NJ Completion Date.

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## LETTER FROM THE BOARD

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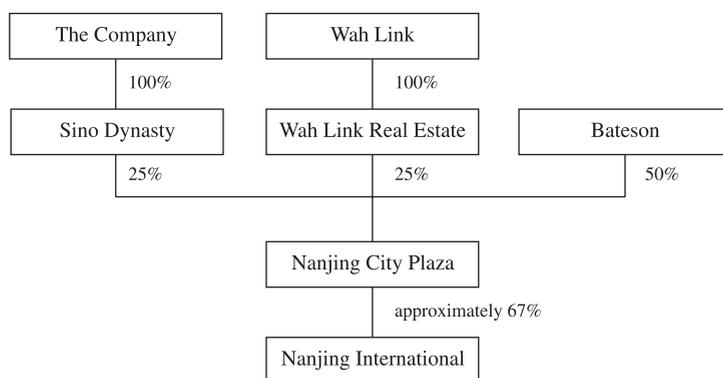
### THE WAH LINK S&P AGREEMENT

On the same date of the execution of the GGHL S&P Agreement, Wah Link and the Purchaser also entered in the Wah Link S&P Agreement pursuant to which Wah Link conditionally agreed to sell and the Purchaser conditionally agreed to acquire from Wah Link the entire issued share capital of, and loan to, Wah Link Real Estate, at a total consideration of approximately HK\$160.7 million.

The terms of the Wah Link S&P Agreement are similar to the GGHL S&P Agreement except that the consideration of approximately HK\$160.7 million was determined after taking into consideration (i) the net asset value of Wah Link Real Estate of approximately HK\$2.3 million as at 30 September 2006, including approximately HK\$9.0 million of interest receivable from Nanjing City Plaza fully impaired by Wah Link Real Estate as at 30 September 2006; and (ii) the shareholder's loan provided by Wah Link to Wah Link Real Estate of approximately HK\$128.7 million as at 30 September 2006.

### INFORMATION ON NANJING CITY PLAZA

Nanjing City Plaza, which is owned as to 50% by Bateson, 25% by Wah Link Real Estate and 25% by Sino Dynasty, holds approximately 67% interest in Nanjing International which is mainly engaged in the development of the Nanjing Project, a commercial/residential property project in Nanjing, the PRC. The chart below sets out the shareholding structure of Nanjing City Plaza group of companies:



The Nanjing Project is planned to be developed in two phases. Phase I of the Nanjing Project will comprise a shopping mall, serviced apartments, hotel and office premises, with a total gross floor area of approximately 227,000 square meters and as of the date of this circular, the construction of Phase I of the Nanjing Project has not yet completed. Phase II of the Nanjing Project is at the planning stage with a total gross floor area of approximately 245,000 square meters.

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## LETTER FROM THE BOARD

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### INFORMATION ON SINO DYNASTY

Sino Dynasty is an investment holding company wholly owned by the Company. Apart from its 25% interests in Nanjing City Plaza, Sino Dynasty is also interested in 25% of Ace Intelligent Consultants Limited, a company owned as to 50%, 25% and 25% by Bateson, Wah Link Real Estate and Sino Dynasty respectively, which provides certain administrative services to Nanjing City Plaza and Nanjing International.

The following table sets out the unaudited financial results of Sino Dynasty for the two financial years ended 31 March 2006 prepared in accordance with applicable HKFRS (the results of Nanjing City Plaza, Ace Intelligent Consultants Limited and their respective subsidiary(ies) have been equity accounted for based on the interests held by Sino Dynasty in such companies for the two financial years ended 31 March 2006):

	Financial year ended	
	31 March	
	2005	2006
	HK\$'000	HK\$'000
Net (loss)/profit before taxation and extraordinary items	(767)	2,365
Net (loss)/profit after taxation and extraordinary items	(767)	2,365

As at 30 September 2006, Sino Dynasty had a net asset value of approximately HK\$7.9 million.

### THE SUBSCRIPTION AGREEMENT

#### Date

20 March 2007

#### Parties

- Subscribers:
- (1) Perfect Honour, a wholly owned subsidiary of the Company;
  - (2) Yong Hua; and
  - (3) Legend Crown.
- Issuer: Rongzhong BVI, a non-wholly owned subsidiary of the Company.

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## LETTER FROM THE BOARD

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### **Assets to be acquired**

Perfect Honour, Yong Hua and Legend Crown agreed to subscribe and Rongzhong BVI agreed to allot and issue 13,259,949, 11,439,956 and 1,299,995 Subscription Shares respectively, on a pro rata basis, at the Subscription Consideration of HK\$103,427,602.20, HK\$89,231,656.80 and HK\$10,139,961 respectively.

As at the date of this circular, Rongzhong BVI is owned as to 51%, 44% and 5% by Perfect Honour, Yong Hua and Legend Crown respectively. As the subscription of the Subscription Shares is made on a pro rata basis, RZ Completion will not result in any changes in the shareholding structure of Rongzhong BVI and Rongzhong BVI will continue to be a non-wholly owned subsidiary of the Company.

### **Subscription Consideration**

The Subscription Consideration payable by Perfect Honour of HK\$103,427,602.20 upon the RZ Completion would be financed by the proceeds from the Disposal and/or the proceeds from the very substantial disposal as set out in the announcement of the Company dated 8 March 2007 (details of which are set out in the circular of the Company dated 28 March 2007) and/or by internal resources of the Group. The Subscription Consideration was arrived at after arm's length negotiations between the parties to the Subscription Agreement.

If the conditions set out under the paragraph headed "Conditions precedent" below is not fulfilled or waived (if applicable) by the RZ Long Stop Date, any party to the Subscription Agreement may by notice to the other elect to immediately terminate and rescind the Subscription Agreement.

### **Conditions precedent**

RZ Completion shall be conditional upon:

- (i) if required, the passing by the Shareholders (other than those who are required to abstain from voting (if applicable) under the Listing Rules) of the resolutions in a general meeting approving the Subscription Agreement and the performance of the transactions contemplated thereunder; and
- (ii) the completion of the very substantial disposal transaction as set out in the announcement of the Company dated 8 March 2007 (details of which are set out in the circular of the Company dated 28 March 2007).

Perfect Honour may waive the condition set out in (ii) above. As of the date of this circular, none of the conditions set out above has been fulfilled.

### **RZ Completion**

RZ Completion shall take place within 10 business days after fulfillment or waiver (if applicable) of the abovementioned conditions.

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## LETTER FROM THE BOARD

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### INFORMATION ON RONGZHONG BVI

Rongzhong BVI is an investment holding company incorporated in the British Virgin Islands with limited liability on 3 March 2004. As at the date of this circular, Rongzhong BVI is owned as to 51%, 44% and 5% by Perfect Honour, Yong Hua and Legend Crown respectively. Yong Hua's sole beneficial owner, Mr. Xie, was a director of Rongzhong BVI within the preceding 12 months. Mr. Xie remains a director of Rongzhong BVI's subsidiaries. As at the date of the entering into of the Subscription Agreement, Mr. Xie was not interested in any Shares. Legend Crown is jointly owned by two associates of Mr. Wong in equal share.

The following table sets out the unaudited financial results of Rongzhong Group for the period from 21 December 2004 to 31 March 2005 and the financial year ended 31 March 2006 prepared in accordance with applicable HKFRS:

	<b>From 21 December 2004 to 31 March 2005 HK\$'000</b>	<b>Financial year ended 31 March 2006 HK\$'000</b>
Net (loss)/profit before taxation and extraordinary items	(5,259)	(36,219)
Net (loss)/profit after taxation and extraordinary items	(5,259)	(36,476)

As at 30 September 2006, Rongzhong Group had a net liability of approximately HK\$55 million.

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

### REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

The Directors (including the independent non-executive Directors) are of the view that the Disposal represents a good opportunity for the Group to dispose of Sino Dynasty (which holds 25% interests in Nanjing City Plaza) at a premium to its book value and to avoid further capital commitment in this non-core business of the Group. The Disposal will also strengthen the Group's financial position to allow the Group to take on other business opportunities with new capital received from the Disposal, including, but not limited to, further investments in the financial services businesses. As such, the Directors (including the independent non-executive Directors) consider the Disposal to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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The Board intends to utilise the proceeds from the Disposal as to (i) approximately HK\$103 million for the development and expansion of the financial services business of the Group in the PRC or refinancing of such activities (if applicable); (ii) as to approximately HK\$10 million for satisfying its commitment in providing a revolving loan to Goldbond Capital Holdings Limited, a company owned as to 20% by the Group which is engaged in the provision of investment and financial-related services (details of which are set out in the circular of the Company dated 17 February 2006); (iii) and as to the remaining balance for possible repayments of the convertible notes in an aggregate amount of HK\$100 million issued by the Company which will fall due in August 2007 (details of which are set out in the circulars of the Company dated 14 May 2004 and 11 November 2004).

As mentioned in the annual report of the Company for the financial year ended 31 March 2006, the Directors believed that investment in its financial services business would be a long term strategic move for the Group. Leveraging on the Group's expertise and network in the PRC, the Group would further venture into the PRC consumer finance market with promising prospect. In addition, the Group is considering, among others, acquiring or incorporating two or more pawn shops in other PRC cities. Upon completion of the Disposal, the Group would have additional capital to take on such business opportunities, including but not limited to, the Share Subscription.

### REASONS FOR THE SHARE SUBSCRIPTION

As mentioned above, it is the intention of the Directors to further develop and expand its financial services business and the proceeds from the Disposal would allow the Group to, among others, inject capital in Rongzhong BVI to further tap into the PRC consumer finance market and facilitate the operation of the Rongzhong Group. Accordingly, the Directors consider that the Subscription Agreement as a whole can enable the Group to increase its participation in the prospective growth of loan guarantee businesses in the PRC.

Therefore, the Directors (including the independent non-executive Directors) are of the view that the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### FINANCIAL EFFECTS OF THE DISPOSAL AND THE SHARE SUBSCRIPTION

For the Disposal, the Group is expected to realise a book gain of approximately HK\$16 million, being the difference between (i) the Disposal Consideration of approximately HK\$125.3 million; and (ii) the net assets value of Sino Dynasty and the shareholder's loan from the Company to Sino Dynasty of approximately HK\$7.9 million and HK\$101.4 million respectively as at 30 September 2006 (but without taking into account any expenses and taxations and reversal of Group's share of exchange reserve regarding Nanjing City Plaza that may arise as a result of the Disposal). Upon the NJ Completion, the Group's assets will be increased by approximately HK\$15.4 million (being the difference between the Disposal consideration of approximately HK\$125.3 million and the interest in and amount due from the jointly controlled entities under Sino Dynasty of approximately HK\$97.8 million and HK\$12.1

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## LETTER FROM THE BOARD

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million respectively as at 30 September 2006) and the Group's liabilities will be decreased by approximately HK\$0.6 million as a result of the release of financial guarantee contracts relating to the jointly controlled entities under Sino Dynasty (without taking into account any expenses and taxations that may arise as a result of the Disposal). Upon NJ Completion, Sino Dynasty will cease to be a subsidiary of the Company.

For the Share Subscription, upon the RZ Completion, the Group's consolidated net asset value (attributable to shareholders' equity of the Company only) will be increased by the recovery of the minority share of losses in Rongzhong Group previously absorbed by the Company of approximately HK\$21.7 million as of 30 September 2006. The Group's assets will be increased by approximately HK\$99.4 million as a result of the Subscription Consideration of approximately HK\$89.3 million and HK\$10.1 million from Yong Hua and Legend Crown respectively and liabilities will be increased by approximately HK\$77.7 million due to the corresponding increase in minority interest after adjusting for the abovementioned recovery of the minority share of losses in Rongzhong Group of approximately HK\$21.7 million (without taking into account any expenses and taxations that may arise as a result of the Share Subscription).

### INFORMATION ON THE PURCHASER

Bateson, a company incorporated in the British Virgin Islands and is interested in 50% of Nanjing City Plaza. To the best of the Director's knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

To the best of the Directors' knowledge as at the date of this circular, the principal activity of Bateson is investment holding, which mainly consists of the 50% interests in Nanjing City Plaza.

### INFORMATION ON THE COMPANY AND THE GROUP

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

### GENERAL

The Disposal constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules and therefore is subject to approval by the Shareholders at a general meeting under the Listing Rules. In addition, the Disposal also constitutes a connected transaction for the Company under Rule 14A.13(1)(b)(i) of the Listing Rules. Since Wah Link is an associate of Mr. Wong, Mr. Wong and his associates will be required to abstain from voting in respect of the proposed resolution approving the Disposal.

Pursuant to the Subscription Agreement, Perfect Honour conditionally agreed to subscribe and Rongzhong BVI conditionally agreed to allot and issue 13,259,949 Subscription Shares at the Subscription Consideration of HK\$103,427,602.20. The Share Subscription constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

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## LETTER FROM THE BOARD

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Since Rongzhong BVI is a connected person of the Company under Chapter 14A of the Listing Rules by reason of its being an associate of Mr. Xie, the entering into of the Subscription Agreement by Perfect Honour also constitutes a connected transaction for the Company under Rule 14A.13(1)(a) of the Listing Rules.

Accordingly, the Share Subscription constitutes a discloseable and connected transaction for the Company under Chapter 14 and Chapter 14A of the Listing Rules and therefore is subject to the independent shareholders' approval requirement, announcement and reporting requirements under the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting in respect of the proposed resolution approving the Share Subscription.

Allied Luck Trading Limited and Ace Solomon Investments Limited, being parties acting in concert under The Code on Takeovers and Mergers and a closely allied group of Shareholders holding 497,232,000 Shares and 338,888,343 Shares respectively, are in aggregate interested in approximately 50.1% of the issued share capital of the Company as at the date of this circular. Pursuant to Rule 14A.43 of the Listing Rules, they have confirmed in writing of their approval of the Subscription Agreement and the respective transactions contemplated thereunder.

As the Company has obtained a written approval of the Subscription Agreement and the respective transactions contemplated thereunder from the closely allied group of Shareholders, the Company has applied to the Stock Exchange for acceptance of such written approvals in lieu of holding a general meeting of the Company and the Stock Exchange has granted its approval to the Company.

### **EGM**

The Disposal constitutes a major and connected transaction on the part of the Company under the Listing Rules. Pursuant to Rule 14A.52 of the Listing Rules, the Disposal is conditional on approval by the Shareholders at the EGM. As Mr. Wong and his associates are connected persons of the Company, the Directors confirmed that Mr. Wong and his associates will abstain from voting in relation to the resolution to approve the GGHL S&P Agreement and the transactions contemplated thereunder.

A notice convening the EGM at JW Marriott Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 10:00 a.m. on 10 May 2007.

At the EGM, Mr. Wong and his associates will abstain from voting in relation to the resolution to approve the GGHL S&P Agreement and the transactions contemplated thereunder.

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 taking of the poll. 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.

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## LETTER FROM THE BOARD

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In compliance with the Listing Rules, the votes to be taken at the EGM will be taken by poll, the results of which will be announced after the EGM.

As at the Latest Practicable Date, there is no discrepancy between the beneficial shareholding interest of any Shareholders as disclosed in this circular and the numbers of Shares in respect of which they will control or will be entitled to exercise control over the voting rights at the EGM.

### 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 representative 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 in the Company 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 rules of the Stock Exchange, 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.

The Chairman will demand a poll at the EGM. The poll procedure will be scrutineered by Computershare Hong Kong Investor Services Limited, the Hong Kong share registrar of the Company. The poll result will be published by way of announcement.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the GGHL S&P Agreement and the Share Subscription Agreement and the transactions contemplated thereunder are in the interest of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM in respect of the Disposal.

### FURTHER INFORMATION

Your attention is drawn to the letter from the Independent Board Committee and from the Independent Financial Adviser which are respectively set out on page 18 and pages 19 to 30 of this circular. Additional information is also set out in the appendices 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)**

19 April 2007

*To the Independent Shareholders*

Dear Sirs,

**MAJOR AND CONNECTED TRANSACTION  
DISCLOSEABLE AND CONNECTED TRANSACTION**

We have been appointed as members of the Independent Board Committee to advise you in connection with the GGHL S&P Agreement, the Subscription Agreement and the respective transactions contemplated thereunder, details of which are set out in the letter from the Board contained in the circular to the Shareholders dated 19 April 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 GGHL S&P Agreement, the Subscription Agreement and the respective transactions contemplated thereunder and the advice of Menlo in relation thereto as set out on pages 19 to 30 of the Circular, we are of the opinion that the terms of the GGHL S&P Agreement, the Subscription Agreement and the respective transactions contemplated thereunder are fair and reasonable and are in the interests of the Group and the Independent Shareholders as a whole.

Yours faithfully,

Independent Board Committee

**Ip Yin Wah**

**Melvin Jitsumi Shiraki**

**Ma Ho Fai JP**

*Independent non-executive Directors*

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# LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the text of a letter from Menlo Capital Limited in connection with the major and connected transaction as well as 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

19 April 2007

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

Dear Sirs,

**MAJOR AND CONNECTED TRANSACTION  
DISCLOSEABLE AND CONNECTED TRANSACTION**

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Disposal and the Share Subscription, details of which are set out in the “Letter from the Board” in the circular (the “Circular”) issued by the Company to the Shareholders dated 19 April 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 18 March 2007, in relation to the Disposal, the Company entered into the GGHL S&P Agreement with the Purchaser, pursuant to which the Company conditionally agreed to sell and the Purchaser conditionally agreed to acquire from the Company the entire issued share capital of, and loan to, Sino Dynasty at the Disposal Consideration. Sino Dynasty holds 25% interests in Nanjing City Plaza.

Given that the consideration ratio for the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under the Listing Rules and therefore is subject to approval by the Shareholders at a general meeting. In addition, the Disposal also constitutes a connected transaction for the Company under the Listing Rules. Since Wah Link is an associate of Mr. Wong, Mr. Wong and his associates will be required to abstain from voting in respect of the proposed resolution approving the Disposal.

On 20 March 2007, in relation to the Share Subscription, Perfect Honour, Yong Hua and Legend Crown entered into the Subscription Agreement with Rongzhong BVI pursuant to

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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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which Perfect Honour, Yong Hua and Legend Crown conditionally agreed to subscribe and Rongzhong BVI conditionally agreed to allot and issue the Subscription Shares on a pro rata basis. As the subscription of the Subscription Shares is made on a pro rata basis, RZ Completion will not result in any changes in the shareholding structure of Rongzhong BVI.

The Share Subscription constitutes a connected transaction for the Company under the Listing Rules and therefore is subject to the approval of the Shareholders at a general meeting. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting in respect of the proposed resolution approving the Share Subscription.

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 Independent Shareholders in relation to the Disposal and the Share Subscription.

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 all reasonable steps pursuant to Rule 13.80 of 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 Disposal and the Share Subscription, including but not limited to, the announcement of the Company dated 28 March 2007; the circulars of the Company in relation to Nanjing City Plaza dated 24 December 2003, 28 July 2004 and 14 June 2005, the property valuation report from the DTZ, the circulars of the Company in relation to Rongzhong BVI dated 14 May 2004, 25 November 2004 and 28 July 2005, the Letter from the Board, GGHL S&P Agreement, the Subscription 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;

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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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- (b) reviewing the performance and financial situation of the Company as well as the reasons and background of:
  - (i) the Disposal and the terms of GGHL S&P Agreement; and
  - (ii) the Share Subscription and the terms of the Subscription Agreement;
- (c) reviewing the fairness, reasonableness and completeness of the assumptions made in the property valuation report of DTZ in relation the Disposal; and
- (d) without limiting the generality of paragraph (c) above, in relation to DTZ providing the property valuation report relevant to the Disposal:
  - (i) interviewing the DTZ including as to its expertise and any current or prior relationships with the issuer, other parties to the Disposal and connected persons of either the issuer or another party to the Disposal;
  - (ii) reviewing the terms of engagement (having particular regard to the scope of work, whether the scope of work is appropriate to the opinion required to be given and any limitations on the scope of work which might adversely impact on the degree of assurance given by the property valuation report, opinion or statement); and
  - (iii) where the independent financial adviser is aware the issuer or another party to the Disposal has made formal or informal representations to DTZ, assessing whether the representations are in accordance with the independent financial adviser's knowledge.

### **GGHL S&P AGREEMENT**

#### **Date**

18 March 2007

#### **Parties**

Vendor: the Company.

Purchaser: Bateson, a company interested in 50% of Nanjing City Plaza.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and not connected persons of the Company.

#### **Assets to be disposed of**

The entire issued share capital of, and loan to, Sino Dynasty.

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# LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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## **SINO DYNASTY**

Sino Dynasty is an investment holding company wholly owned by the Company. Apart from its 25% interests in Nanjing City Plaza, Sino Dynasty is also interested in 25% of Ace Intelligent Consultants Limited, a company owned as to 50%, 25% and 25% by Bateson, Wah Link Real Estate and Sino Dynasty respectively, which provides certain administrative services to Nanjing City Plaza and Nanjing International. The unaudited financial results of Sino Dynasty for the two financial years ended 31 March 2006 is set out in the section headed “Information on Sino Dynasty” in the “Letter from the Board”. As at 30 September 2006, Sino Dynasty had a net asset value of approximately HK\$7.9 million.

## **NANJING CITY PLAZA**

Nanjing City Plaza, which is owned as to 50% by Bateson, 25% by Wah Link Real Estate and 25% by Sino Dynasty, holds approximately 67% interest in Nanjing International which is mainly engaged in the development of the Nanjing Project, a commercial/residential property project in Nanjing, the PRC. The Nanjing Project is planned to be developed in two phases. Phase I of the Nanjing Project will comprise a shopping mall, serviced apartments, hotel and office premises, with a total gross floor area of approximately 227,000 square metres and as of the date of the Circular, the construction of Phase I of the Nanjing Project has not yet completed. Phase II of the Nanjing Project is at the planning stage with a total gross floor area of approximately 245,000 square metres.

The chart of the shareholding structure of Nanjing City Plaza group are set out in the section headed “Information on Nanjing City Plaza” in the “Letter from the Board”.

## **REASONS FOR THE DISPOSAL AND USE OF PROCEEDS**

The Board intends to utilise the proceeds from the Disposal as to (i) approximately HK\$103 million for the development and expansion of the financial services business of the Group in the PRC or refinancing of such activities (if applicable); (ii) as to approximately HK\$10 million for satisfying its commitment in providing a revolving loan to Goldbond Capital Holdings Limited, a company owned as to 20% by the Company which is engaged in the financial services business (details of which are set out in the circular of the Company dated 17 February 2006); and (iii) as to the remaining balance for possible repayments of the convertible notes in an aggregate amount of HK\$100 million issued by the Company which will fall due in August 2007 (details of which are set out in the circulars of the Company dated 14 May 2004 and 11 November 2004).

As mentioned in the annual report of the Company for the financial year ended 31 March 2006, the Directors believed that investment in its financial services business would be a long term strategic move for the Group. Leveraging on the Group’s expertise and network in the PRC, the Group would further venture into the PRC consumer finance market with promising prospect. In addition, the Group is considering, among others, acquiring or incorporating two or more pawn shops in other PRC cities. Upon completion of the Disposal, the Group would have additional capital to take on such business opportunities, including but not limited to the Share Subscription.

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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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We are of the view the Disposal will also strengthen the Group's financial position to allow the Group to take on other business opportunities with new capital received from the Disposal, including but not limited to further investments in the financial services businesses. As such, we consider the Disposal is in the interests of the Company and the Shareholders as a whole.

### **Disposal Consideration**

The Disposal Consideration of approximately HK\$125.3 million was determined after arm's length negotiations between the Company and the Purchaser and after taking into consideration (i) the net assets value of Sino Dynasty of approximately HK\$7.9 million as at 30 September 2006; and (ii) the shareholder's loan provided by the Company to Sino Dynasty of approximately HK\$101.4 million as at 30 September 2006.

In an attempt to evaluate the fairness of the aggregate consideration of the Disposal, we have adopted the following approaches:

(i) *Price to earnings*

The unaudited net income before taxation and extraordinary items of Sino Dynasty for the financial year ended 31 March 2006 was approximately HK\$2.4 million. During the financial year ended 31 March 2006, the income was generated from the sharing of profit from the jointly controlled entities which was mainly attributed by the consultancy services income for the Nanjing Project and the gain in currencies exchange. As at 31 March 2006, the construction of the Nanjing Project was not completed. There was no income reflected from the sale of property. Therefore, we consider that the price to earnings approach is not appropriate in assessing the Disposal, as the consultancy services income and the gain in currencies exchange are not the main income of a property investment company like Sino Dynasty.

(ii) *Price to net assets value*

Based on the unaudited management accounts of Sino Dynasty as at 30 September 2006, the Disposal Consideration of approximately HK\$125.3 million carries a premium of approximately 14.6% over the aggregate amount of the net assets value of Sino Dynasty and shareholder's loan provided by the Company to Sino Dynasty of approximately HK\$109.3 million as at 30 September 2006.

(iii) *DTZ' valuation*

The valuation on the Nanjing Project provided by DTZ is defined as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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In valuing the property interest DTZ have valued the property interest on the basis that the Property will be developed and completed in accordance with the latest development proposals provided to us. In arriving at their opinion of value, DTZ have adopted Direct Comparison Approach by making reference to comparable sales evidences as available in the relevant market and DTZ have also taken into account the expended construction costs and the construction costs that will be expended to complete the development to reflect the quality of the completed development.

Their valuation excludes an estimated price inflated or deflated by special terms or circumstances such as a typical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In the course of their valuation of the Property, which is situated in the PRC, DTZ have assumed that transferable land use rights in respect of the Property for a specific term at nominal annual land use fees have been granted and that any premium has already been fully settled. DTZ have also assumed that the grantee or the user of the Property has free and uninterrupted rights to use or to assign the Property for the whole of the un-expired term as granted. DTZ have relied on the advice given by the Company regarding the title to the Property and have, for the purpose of their valuation, assumed that the owner has enforceable title to the Property.

No allowance has been made in their valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation, which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoing of an onerous nature, which could affect its value.

We have also discussed with DTZ the assumptions applied by them as set out above and in Appendix II in the Circular. We consider that their assumptions are in line with the market practice and have no reason to doubt the assumptions applied by DTZ in preparing the property valuation report. However, we wish to draw the attention of the Independent Shareholders that the assumptions made in the property valuation report are by nature subject to future uncertainty.

Having taken into account of the valuation surplus of the Property, the net assets value of Sino Dynasty would be approximately HK\$8.0 million instead of being approximately HK\$7.9 as stated in management account of Sino Dynasty as at 30 September 2006. Accordingly, the Disposal Consideration of approximately HK\$125.3 million carries a premium of approximately 14.5% over the aggregate amount of the net assets value of Sino Dynasty derived from the valuation and shareholder's loan provided by the Company to Sino Dynasty of approximately HK\$109.4 million.

We are of the view that the Disposal Consideration carries a premium of over 14.6% over the net assets value and shareholder's loan or 14.5% over the aggregate amount of the net assets value of Sino Dynasty derived from the valuation and shareholder's loan provided by the Company to Sino Dynasty is fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned.

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# LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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## Terms of payment

The Disposal Consideration shall be paid by the Purchaser to the Company in the following manner:

- (a) HK\$3.0 million has been paid as Deposit; and
- (b) the Remaining Consideration shall be paid, at the election of the Purchaser, on the NJ Completion Date or within one year of the NJ Completion Date provided that the Purchaser shall pay, in addition to the Disposal Consideration, interest calculated at simple rate of 6% per annum on the balance of the Remaining Consideration from the NJ Completion Date to the date of full payment and that the Purchaser has procured and delivered to the Company an unconditional and irrevocable letter of guarantee issued in favour of the Company by a licensed bank in Hong Kong guaranteeing the payment of the Remaining Consideration and the interest accrued thereon as aforesaid.

The conditions are set out under the sub-section headed “Conditions precedent” under the section headed “GGHL S&P Agreement” in the Letter from the Board.

## NJ Completion

Subject to the conditions contained in the GGHL S&P Agreement having been fulfilled, NJ Completion shall take place simultaneously with completion of the Wah Link S&P Agreement on the NJ Long Stop Date.

We are of the view that the terms of the GGHL S&P Agreement, including the Purchaser’s option of payment date and the forfeiting of certain Deposit by the Company under certain situations as mentioned above, are on normal commercial basis and are fair and reasonable so far as the interests of the Company and the Shareholders are concerned.

## THE SUBSCRIPTION AGREEMENT

### Date

20 March 2007

### Parties

Subscribers: (1) Perfect Honour, a wholly owned subsidiary of the Company;  
(2) Yong Hua; and  
(3) Legend Crown

Issuer: Rongzhong BVI, a non-wholly owned subsidiary of the Company.

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# LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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## **Asset to be acquired**

Perfect Honour, Yong Hua and Legend Crown agreed to subscribe and Rongzhong BVI agreed to allot and issue 13,259,949, 11,439,956 and 1,299,995 Subscription Shares respectively, on a pro rata basis, at the Subscription Consideration of HK\$103,427,602.20, HK\$89,231,656.80 and HK\$10,139,961 respectively.

As at the date of the Circular, Rongzhong BVI is owned as to 51%, 44% and 5% by Perfect Honour, Yong Hua and Legend Crown respectively. As the subscription of the Subscription Shares is made on a pro rata basis, RZ Completion will not result in any changes in the shareholding structure of Rongzhong BVI and Rongzhong BVI will continue to be a non-wholly owned subsidiary of the Company.

## **RONGZHONG BVI**

Rongzhong BVI is an investment holding company incorporated in the British Virgin Islands with limited liability on 3 March 2004. As at the date of the Circular, Rongzhong BVI is owned as to 51%, 44% and 5% by Perfect Honour, Yong Hua and Legend Crown respectively. Yong Hua's sole beneficial owner, Mr. Xie, was a director of Rongzhong BVI within the preceding 12 months. Legend Crown is jointly owned by two associates of Mr. Wong Yu Lung, Charles, a Director, in equal share.

The unaudited financial results of Rongzhong BVI for the period ended 31 March 2005 and the financial year ended 31 March 2006 are set out in the section headed "Information on Rongzhong BVI" in the "Letter from the Board". As at 30 September 2006, Rongzhong BVI had a net liability of approximately HK\$55 million.

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 THE SHARE SUBSCRIPTION**

As mentioned in the Letter from the Board, it is the intention of the Directors to further develop and expand its financial services business and the proceeds from the Disposal would allow the Group to, among others, inject capital in Rongzhong BVI to further tap into the PRC consumer finance market and facilitate the operation of the Rongzhong Group.

We are of the view that the Subscription Agreement as a whole can enable the Group to increase its participation in the prospective growth of loan guarantee businesses in the PRC. We consider that the terms of the Subscription Agreement are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

## **Subscription Consideration**

The Subscription Consideration payable by Perfect Honour of HK\$103,427,602.20 upon the RZ Completion would be financed by the proceeds from the Disposal and/or the proceeds from a very substantial disposal as set out in the announcement of the Company dated 8 March 2007 and/or through internal resources of the Group. The Subscription Consideration was arrived at after arm's length negotiation between the parties to the Subscription Agreement.

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# LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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The conditions are set out under the sub-section headed “Conditions precedent” under the section headed “The Subscription Agreement” in the Letter from the Board.

## **RZ Completion**

RZ Completion shall take place within 10 business days after fulfillment or waiver (if applicable) of the abovementioned conditions.

We are of the view that the terms of the Subscription Agreement are on normal commercial basis and are fair and reasonable so far as the interests of the Company and the Shareholders are concerned.

## **FINANCIAL EFFECTS OF THE DISPOSAL AND THE SHARE SUBSCRIPTION**

### **Financial Effects of the Disposal**

The financial effects of the Sino Disposal are as follows:

(i) *Earnings*

From the Disposal, the Group is expected to realise a book gain of approximately HK\$16 million, being the difference between (i) the Disposal Consideration of approximately HK\$125.3 million and (ii) the net assets value of Sino Dynasty and the shareholder’s loan from the Company to Sino Dynasty of approximately HK\$7.9 million and HK\$101.4 million as at 30 September 2006 (but without taking into account any expenses and taxations and reversal of Group’s share of exchange reserve regarding Nanjing City Plaza that may arise as a result of the Disposal).

(ii) *Net assets value*

Upon the NJ Completion, the Group’s total assets will be increased by approximately HK\$15.4 million (being the difference between the Disposal consideration of approximately HK\$125.3 million and the interest in and amount due from the jointly controlled entities under Sino Dynasty of approximately HK\$97.8 million and HK\$12.1 million respectively as at 30 September 2006) and the Group’s liabilities will be decreased by approximately HK\$0.6 million as a result of the release of financial guarantee contracts relating to the jointly controlled entities under Sino Dynasty (without taking into account any expenses and taxations that may arise as a result of the Disposal). Upon NJ Completion, Sino Dynasty will cease to be a subsidiary of the Group.

(iii) *Working capital*

The working capital (expressed as the net position of the current assets and the current liabilities) of the Group was a net liabilities of approximately HK\$74.7 million as at 30 September 2006. The working capital of the Group would be significantly improved by the Disposal Consideration (but without taking into account any expenses and taxations and reversal of Group’s share of exchange reserve regarding Nanjing City Plaza) immediately after the NJ Completion.

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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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We are of the view that the Disposal will have positive effects on the financial situation of the Group, including the positive impact on the earnings, net assets value, liquidity and gearing position of the Group.

### Financial Effects of the Share Subscription

The financial effects of the Share Subscription are as follows:

(i) *Earnings*

No immediate effect of the Share Subscription on the earnings of the Group after the RZ Completion. However, the Group's consolidated net asset value (attributable to shareholders' equity of the Company only) will be increased by the recovery of the minority share of losses in Rongzhong Group previously absorbed by the Company of approximately HK\$21.7 million as of 30 September 2006.

(ii) *Net assets value*

For the Share Subscription, upon the RZ Completion, the Group's consolidated net asset value (attributable to shareholders' equity of the Company only) will be increased by the recovery of the minority share of losses in Rongzhong Group previously absorbed by the Company of approximately HK\$21.7 million as of 30 September 2006. The Group's assets will be increased by approximately HK\$99.4 million as a result of the Subscription consideration of approximately HK\$89.3 million and HK\$10.1 million from Yong Hua and Legend Crown respectively and the liabilities will be increased by approximately HK\$77.7 million due to the corresponding increase in minority interest after adjusting for the abovementioned recovery of the minority share of losses in Rongzhong Group of approximately HK\$21.7 million (without taking into account any expenses and taxations that may arise as a result of the Share Subscription).

(iii) *Working capital*

The working capital of the Group immediately after the RZ Completion will be increased by the total capital injection by Yong Hua and Legend Crown in Rongzhong BVI of approximately HK\$99 million (without taking into account any expenses and taxations that may arise as a result of the Share Subscription).

We are of the view that the Share Subscription will have positive effects on the financial situation of the Group, including the positive impact on net assets value and the working capital of the Group while it will have no immediate effect on the earnings of the Group.

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# LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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## OPINION

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

1. the Share Subscription 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 strategic to further develop and expand its financial services business and to further tap into the PRC consumer finance market;
2. the Disposal and the Share Subscription will improve the net assets value, the liquidity and the gearing ratio of the Group;
3. the major portion of the proceeds from the Disposal is intended to be utilised for the Share Subscription;
4. the Share Subscription enable the Group to increase its investment in the Rongzhong BVI which is controlled by the Group; while the Disposal is to dispose the interests in Nanjing City Plaza of which the Group has no full control;
5. the Disposal Consideration and Subscription Consideration are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned; and
6. the terms of the GGHL S&P Agreement and the Subscription Agreement are on normal commercial terms are in the ordinary course of business of the Group and are fair and reasonable so far as the interests of the Shareholders are concerned.

## RECOMMENDATION

The Disposal constitutes a major transaction for the Company under the Listing Rules and therefore is subject to approval by the Shareholders at a general meeting. In addition, the Disposal also constitutes a connected transaction for the Company under the Listing Rules. Since Wah Link is an associate of Mr. Wong, Mr. Wong and his associates will be required to abstain from voting in respect of the proposed resolution approving the Disposal.

The Share Subscription also constitutes a connected transaction for the Company under the Listing Rules and therefore is subject to the approval of the Shareholders at a general meeting. To the best of the Directors' knowledge, under the Listing Rules, no Shareholder is required to abstain from voting in respect of the proposed resolution approving the Share Subscription. As the Company has obtained a written approval of the Subscription Agreement and the respective transactions contemplated thereunder from the closely allied group of Shareholders, holding aggregate interested in approximately 50.1% of the issued share capital of the Company, the Company has applied to the Stock Exchange for acceptance of such written approvals in lieu of holding a general meeting of the Company and the Stock Exchange has granted its approval to the Company.

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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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We are of the view that the entering into the GGHL S&P Agreement and the Subscription Agreement are in the ordinary course of business, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole and that the terms of the GGHL S&P and the Subscription 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 Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM the GGHL S&P Agreement. If a general meeting were to be convened in relation to the Share Subscription, we would advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolution to approve the Share Subscription.

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

## 1. INDEBTEDNESS

As at the close of business on 28 February 2007, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement prior to the printing of this circular, the Group had outstanding bank borrowings of approximately HK\$244,137,000, comprising secured and unsecured bank borrowings of approximately HK\$232,137,000 and HK\$12,000,000 respectively. The secured bank borrowings were secured by:

- (i) pledged deposits of approximately US\$2,585,000 (equivalent to approximately HK\$20,163,000) and RMB4,000,000 (equivalent to approximately HK\$4,000,000) respectively;
- (ii) legal charges over properties with carrying value of approximately HK\$503,710,000 and an assignment of the rental income derived therefrom;
- (iii) a floating charge over assets of Rongzhong Group Limited; and
- (iv) a share charge of a subsidiary, Perfect Manor Limited, together with the subordination of the Company's loans to Perfect Manor Limited.

Certain bank borrowings are guaranteed by:

- (i) a corporate guarantee from the Company;
- (ii) a cross guarantee between the Company and Perfect Manor Limited amounting to HK\$70 million; and
- (iii) corporate guarantees from Rongzhong Investment Group Limited.

As at the close of business on 28 February 2007, the Group had an outstanding amount due to a related company of approximately HK\$47,805,000 and amounts due to minority shareholders of approximately HK\$20,924,000. The Group issued convertible notes and redeemable convertible preference shares of which the liability components amounted to approximately HK\$96,345,000 and HK\$1,357,000 respectively as at 28 February 2007.

As at the close of business on 28 February 2007, the Group had the following contingent liabilities:

- (i) the Company has given 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. Besides, the Group also pledged its attributable equity interests in its jointly controlled entities for such banking facilities. The obligation of the Company as the guarantor will be discharged or released upon NJ Completion;
- (ii) the Company has given a guarantee to a bank to secure a bank loan on Perfect Manor Limited;

- (iii) the Company entered into funding, allocation and distribution agreements in respect of a bank loan amounting to 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 undertakings 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, arrange a refinancing facility. The obligations of the Company under the funding, allocation and distribution agreements will be discharged or released upon NJ Completion;
- (iv) Rongzhong Investment Group Limited has given guarantees to a bank to secure bank borrowings of not more than RMB60 million (equivalent to approximately HK\$60 million) in aggregate, in which RMB10 million (equivalent to approximately HK\$10 million) and RMB20 million (equivalent to approximately HK\$20 million) were utilised by its subsidiary respectively as at 28 February 2007;
- (v) Rongzhong Investment Group Limited has given guarantees to a bank to secure bank facility of not more than RMB30 million (equivalent to approximately HK\$30 million) to its subsidiary and the full amount was drawn down by its subsidiary as at 28 February 2007; and
- (vi) the Group has contingent liabilities of RMB714,690,000 (equivalent to approximately HK\$714,690,000) in relation to the provision of the guarantee services in the People's Republic of China.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 28 February 2007 any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

The Directors confirm there were no material adverse changes in the Group's indebtedness position and contingent liabilities since 28 February 2007.

## 2. FINANCIAL AND TRADING PROSPECTS

### Financial services

#### *Rongzhong Group Limited ("Rongzhong")*

The Group had a 51% equity interest in Rongzhong, which carries out loan guarantee and pawn shop business in the PRC, as at 30 September 2006. For the six months ended 30 September 2006, the Group shared turnover (after outgoings) from Rongzhong and its subsidiaries ("Rongzhong Group") of approximately HK\$9,163,000 and a loss of approximately HK\$8,994,000 (for the six months ended 30 September 2005: HK\$1,095,000 and HK\$14,963,000 respectively) which was due to the reorganisation and relatively unambitious attitude of the PRC banks towards consumer finance business in

2005. However, the performance of loan guarantee business has been gradually improving since the third quarter of this year, the guaranteed loan size reached RMB86,961,000 in the single month of September 2006.

The Directors believe that with a well-recognised brand reputation and solid business network, Rongzhong is well positioned to expand related consumer finance business to other mainland cities when opportunities arise.

*Goldbond Capital Holdings Limited (“Goldbond Capital”)*

As at 30 September 2006, the Group had a 20% equity interest in Goldbond Capital, which contributed a profit after tax of approximately HK\$147,000 for the six months ended 30 September 2006. 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.

In light of the strengthened market confidence in Hong Kong, the introduction of QDII and the large-scaled fund raising exercise activities proposed by the PRC enterprises, the Directors take a positive attitude towards the financial market in Hong Kong and the PRC. During the period ended 30 September 2006, Goldbond Capital completed the initial public offer of shares in Winbox International (Holdings) Limited. Goldbond Capital also acted as placing agent for fund raising exercises, such as placement of shares of Orient Resources Group Company Limited. The Directors are of the view that Goldbond Capital will broaden its earning base in the financial industry and will contribute to the Group in the long run.

### **3. MATERIAL ADVERSE CHANGES**

The Directors confirm that there was no material adverse changes in the financial or trading position or prospects of the Group since 31 March 2006, being the date to which the latest audited consolidated financial statements of the Group were made up.

### **4. WORKING CAPITAL**

After taking into account the internally generated funds, available banking facilities of the Group and expected completion of the proposed disposal of the Group’s interest in Golden Plaza as stated in the circular of the Company dated 28 March 2007, the Directors are of the opinion that the Group will, following the completion of the Disposal, have sufficient working capital to satisfy its present requirement for the next 12 months from the date of this circular.

*The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from DTZ Debenham Tie Leung Limited, an independent property valuer, in connection with its opinion of value of the property interest in the PRC as at 31 March 2007.*



10th Floor  
Jardine House  
1 Connaught Place  
Central  
Hong Kong

19 April 2007

The Directors  
Goldbond Group Holdings Limited  
Unit 3901A, 39th Floor  
Tower 1  
Lippo Centre  
89 Queensway  
Hong Kong

Dear Sirs,

**Re: Nanjing International Center situated at No. 201 Zhongyang Road, Gulou District, Nanjing, Jiangsu Province, the People's Republic of China**

**Instructions, Purpose &  
Date of Valuation**

We refer to your instructions for us to prepare a valuation on the market value of the captioned property interest (the "Property") in existing state and assuming the Property completed according to the development scheme as provided situated in the People's Republic of China (the "PRC"), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing Goldbond Group Holdings Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") with our opinion of the market value of the Property as at 31 March 2007 (the "date of valuation").

**Basis of Valuation**

Our valuation of the Property represents its market value which in accordance with The HKIS Valuation Standards on Properties of The Hong Kong Institute of Surveyors is defined as “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

**Valuation Assumptions**

Our valuation excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In the course of our valuation of the Property, which is situated in the PRC, we have assumed that transferable land use rights in respect of the Property for a specific term at nominal annual land use fees have been granted and that any premium has already been fully settled. We have also assumed that the grantee or the user of the Property has free and uninterrupted rights to use or to assign the Property for the whole of the un-expired term as granted. We have relied on the advice given by the Company regarding the title to the Property and have, for the purpose of our valuation, assumed that the owner has enforceable title to the Property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation, which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoing of an onerous nature, which could affect its value.

**Method of Valuation**

In valuing the Property, we have valued the Property on the basis that the Property will be developed and completed in accordance with the latest development proposals provided to us. In arriving at our opinion of value, we have adopted Direct Comparison Approach by making reference to comparable sales evidences as available in the relevant market and we have also taken into account the expended construction costs and the construction costs that will be expended to complete the development to reflect the quality of the completed development.

In valuing the Property, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards on Properties (First Edition 2005) published by The Hong Kong Institute of Surveyors.

**Source of Information**

We have relied to a very considerable extent on the information given by the Company and the opinion of the legal adviser to the Company as to PRC laws, Jiangsu Top Hope Law Firm, regarding the title to the Property in the PRC. We have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, development scheme, construction costs, scheduled works completion/commencement dates, site and floor areas and all other relevant matters.

Dimension, measurements and areas included in this valuation report are based on the information provided to us and are therefore only approximation. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We were also advised that no material facts have been omitted from the information supplied.

We would like to point out that the copies of documents provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise the Company to make reference to the original Chinese edition of the documents and consult your legal adviser regarding the legality and interpretation of these documents.

**Title Investigation**

We have been provided with copies of documents in relation to the current title to the Property. However, we have not been able to conduct searches to verify the ownership of the Property or to ascertain any amendment which may not appear on the copies handed to us.

**Site Inspection**

We have inspected the exterior and, where possible, the interior of the Property. However, no structural survey has been made, but in the course of our inspections, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services. We have not carried out investigations on site to determine the suitability of the ground conditions, and the services etc. for any future developments. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. We have not carried out detailed on-site measurements to verify the site and floor areas of the Property and we have assumed that the site and floor areas shown on the copies of documents handed to us are correct.

**Currency**

Unless otherwise stated, all money amounts stated in our valuation are in Renminbi (“RMB”), the official currency of the PRC.

Our valuation certificate is attached.

Yours faithfully,

For and on behalf of

**DTZ Debenham Tie Leung Limited**

**Philip C.Y. Tsang**

*Registered Professional Surveyor (GP)*

*China Real Estate Appraiser*

*MSc., M.H.K.I.S., M.R.I.C.S.*

*Senior Associate Director*

*Note:*

Mr. Philip C.Y. Tsang is a Registered Professional Surveyor who has over 15 years' of experience in the valuation of properties in the PRC.

## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007									
Nanjing International Center situated at No. 201 Zhongyang Road, Gulou District, Nanjing, Jiangsu Province, the PRC	<p>The Property, Nanjing International Center, is a composite development of two phases to be erected on a roughly rectangular-shaped site with a site area of approximately 32,481.10 sq.m. (349,627 sq.ft.).</p> <p>The Property is planned to be developed in two phases with a total gross floor area of approximately 444,665.32 sq.m. (4,786,378 sq.ft.).</p> <p>Phase I of Nanjing International Center is currently under construction and is scheduled for completion in 2008. Upon completion, it will comprise two towers namely South Tower and North Tower of 35 and 38 storeys respectively, a retail podium of 8 storeys, plus a 2-storey basement and the total car parking space is 625.</p> <p>Phase I is planned with gross floor area as follows:</p>	<p>Phase I of the Property is currently under construction and is scheduled for completion in 2008.</p> <p>Phase II of the Property is currently a bare land.</p>	RMB1,555,000,000									
	<p style="text-align: center;"><b>Gross floor area</b> <i>sq.m.</i>      <i>sq.ft.</i></p>											
	<table border="0"> <tr> <td style="padding-right: 20px;">South Tower</td> <td style="padding-right: 20px;">48,426.26</td> <td>521,260</td> </tr> <tr> <td>North Tower</td> <td>47,482.37</td> <td>511,100</td> </tr> <tr> <td>Retail Podium</td> <td>87,061.47</td> <td>937,130</td> </tr> </table>	South Tower	48,426.26	521,260	North Tower	47,482.37	511,100	Retail Podium	87,061.47	937,130		
South Tower	48,426.26	521,260										
North Tower	47,482.37	511,100										
Retail Podium	87,061.47	937,130										
	<table border="0"> <tr> <td style="padding-right: 20px;">Sub-total:</td> <td style="padding-right: 20px;"><u>182,970.10</u></td> <td><u>1,969,490</u></td> </tr> </table>	Sub-total:	<u>182,970.10</u>	<u>1,969,490</u>								
Sub-total:	<u>182,970.10</u>	<u>1,969,490</u>										
	<table border="0"> <tr> <td style="padding-right: 20px;">Basement</td> <td style="padding-right: 20px;"><u>44,085.22</u></td> <td><u>474,533</u></td> </tr> </table>	Basement	<u>44,085.22</u>	<u>474,533</u>								
Basement	<u>44,085.22</u>	<u>474,533</u>										
	<table border="0"> <tr> <td style="padding-right: 20px;">Total:</td> <td style="padding-right: 20px;"><u><u>227,055.32</u></u></td> <td><u><u>2,444,023</u></u></td> </tr> </table>	Total:	<u><u>227,055.32</u></u>	<u><u>2,444,023</u></u>								
Total:	<u><u>227,055.32</u></u>	<u><u>2,444,023</u></u>										

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007										
(Cont'd)	<p>Phase II of Nanjing International Center is currently a bare land. Upon completion, it will comprise a 73-storey tower, an 8-storey retail podium, a 3-storey basement and the total car parking space is 626.</p> <p>Phase II is planned with gross floor area as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;">Gross floor area</th> </tr> <tr> <th style="text-align: center;"></th> <th style="text-align: center;"><i>sq.m.</i>      <i>sq.ft.</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Aboveground</td> <td style="text-align: right;">194,900.00    2,097,904</td> </tr> <tr> <td style="text-align: left;">Underground</td> <td style="text-align: right;"><u>22,710.00</u>    <u>244,450</u></td> </tr> <tr> <td style="text-align: left;">Total:</td> <td style="text-align: right;"><u><u>217,610.00</u></u>    <u><u>2,342,354</u></u></td> </tr> </tbody> </table> <p>The land use rights of the Property have been granted for a term due to expire on 18 October 2063 for residential use and a term due to expire on 18 October 2043 for composite use.</p>	Gross floor area			<i>sq.m.</i> <i>sq.ft.</i>	Aboveground	194,900.00    2,097,904	Underground	<u>22,710.00</u> <u>244,450</u>	Total:	<u><u>217,610.00</u></u> <u><u>2,342,354</u></u>	–	–
Gross floor area													
	<i>sq.m.</i> <i>sq.ft.</i>												
Aboveground	194,900.00    2,097,904												
Underground	<u>22,710.00</u> <u>244,450</u>												
Total:	<u><u>217,610.00</u></u> <u><u>2,342,354</u></u>												

## Notes:

- (1) According to Certificate for the Use of State-owned Land Ning Gu Guo Yong Zi (2004) No. 23215 (寧鼓國用【2004】字第23215號) issued by the Bureau of Land Resources of Nanjing on 20 December 2004, the land use rights with a site area of 32,481.10 sq.m. have been granted to Nanjing International Group Limited (南京國際集團股份有限公司) and Nanjing City Plaza Construction Co. Ltd. (南京國際商城建設有限公司). The details are summarized as follows:
- (i) Land user : Nanjing International Group Limited (南京國際集團股份有限公司) and Nanjing City Plaza Construction Co. Ltd. (南京國際商城建設有限公司)
- (ii) Location : Tongjia Lane (North), Zhongyang Road (West), Gulou District
- (iii) Plot no. : 060070260413
- (iv) Land use : Residential and composite
- (v) Site area : 32,481.10 sq.m.
- (vi) Nature of use : Granted
- (vii) Land use term : Residential: Due to expire on 18 October 2063;  
Composite: Due to expire on 18 October 2043
- (2) According to Contract for Grant of State-owned Land Use Rights dated 17 November 1992 and its Supplement dated 13 December 1999 entered into between Bureau of Land Resources of Nanjing and Nanjing International Group Limited (南京國際集團股份有限公司, formerly known as 南京國際商城股份有限公司) and Nanjing City Plaza Construction Co. Ltd. (南京國際商城建設有限公司), the land use rights with a site area of 32,477.34 sq.m. have been granted with details summarized as follows:
- (i) Land user : Nanjing International Group Limited (南京國際集團股份有限公司, formerly known as 南京國際商城股份有限公司) and Nanjing City Plaza Construction Co. Ltd. (南京國際商城建設有限公司)
- (ii) Location : Tongjia Lane (North), Zhongyang Road (West), Gulou District

- (iii) Plot Ratio : 5 (if the subsequent design approval exceeds this plot ratio, the land use condition would be adjusted accordingly.)
- (iv) Land use : Composite office, residential and composite
- (v) Site area : 32,477.34 sq.m.
- (vi) Nature of use : Granted
- (vii) Land grant fee : About RMB42,220,543
- (3) According to the copy of Planning Permit for Construction Works No. (2002) 0394 issued by the Planning Bureau of Nanjing on 12 January 2004:
- (i) Developer : Nanjing International Group Limited (南京國際集團股份有限公司) and Nanjing City Plaza Construction Co. Ltd. (南京國際商城建設有限公司)
- (ii) Location : Tongjia Lane, Zhongyang Road, Gulou District
- (iii) Construction : Phase I of Nanjing International Center project
- (iv) Total gross floor area : 185,081.90 sq.m. (above ground)  
43,212 sq.m. (below ground)
- (4) According to the Permit for Commencement of Construction Works No. (2002) 013 issued by the Planning Bureau of Nanjing on 28 January 2002:
- (i) Developer : Nanjing International Group Limited (南京國際集團股份有限公司) and Nanjing City Plaza Construction Co. Ltd. (南京國際商城建設有限公司)
- (ii) Construction : Phase I of Nanjing International Center project
- (iii) Location : Tongjia Lane, Zhongyang Road, Gulou District
- (iv) Total gross floor area : 228,000 sq.m.
- (5) According to Commodity Housing Pre-sale Permit No. 000616 issued by Nanjing Housing Administrative Bureau on 6 February 2005, L1-L8 of retail podium, L11-L22 of South Tower and L11-L23, L25-L38 of North Tower are permitted for pre-sale.
- (6) According to Memorandum of Approval of Development Project – Nanjing International Center (Phase II) Project Nos. (2004) 524 and (2004) 527 issued by Planning and Development Authority of Nanjing and Construction Authority of Nanjing dated 19 July 2004, the total gross floor area permitted for Phase II is 220,000 sq.m. As advised by the Company, this is the approval to the project establishment of Phase II, the permits for construction of Phase II with a total gross floor area of approximately 220,000 sq.m. will be subject to follow-up application procedures to the relevant authorities. As advised, no material special conditions affecting the development of Phase II are imposed.
- (7) According to the information provided by the Company, the total construction costs to complete Phase I of the Property is approximately RMB1,371,600,000 and the total expended construction costs up to 31 March 2007 is approximately RMB535,700,000. In the course of our valuation, we have taken into account such construction costs.
- (8) The capital value when completed of the proposed Phase I of the Property is approximately RMB2,611,000,000.
- (9) According to Business Licence No. 3201001005822 dated 24 February 2004, Nanjing International Group Limited (南京國際集團股份有限公司) was established as a cooperation enterprise in the PRC with a registered capital of RMB371,237,500 for a valid operation period from 5 November 1996 to 5 November 2046.
- (10) According to Business Licence No. 0801130 dated 20 June 2004, Nanjing City Plaza Construction Co. Ltd. (南京國際商城建設有限公司) was established as a cooperation enterprise in the PRC with a registered capital of US\$10,000,000 for a valid operation period from 3 December 1992 to 3 December 2012.

- (11) According to the PRC legal opinion prepared by Jiangsu Top Hope Law Firm:
- (i) Nanjing International Group Limited (南京國際集團股份有限公司) and Nanjing City Plaza Construction Co. Ltd. (南京國際商城建設有限公司) have obtained State-owned Land Use Rights Certificate No. Ning Gu Guo Yong Zi (2004) No. 23215 (寧鼓國用【2004】字第23215號) issued by the Bureau of Land Resources of Nanjing on 20 December 2004 and the Contract for Grant of State-owned Land Use Rights and its Supplement in respect of the land use right with a site area of 32,481.10 sq.m. The land use term is due to expire on 18 October 2063 for residential use and 18 October 2043 for composite use.
  - (ii) According to Planning Permit for Construction Works No. (2002) 0394 issued by the Planning Bureau of Nanjing on 12 January 2004 and Permit for Commencement of Construction Works No. (2002) 013 issued by the Planning Bureau of Nanjing on 28 January 2002, Phase I was approved with a total gross floor area of about 228,000 sq.m.
  - (iii) According to Commodity Housing Pre-sale Permit No. 000616 issued by Nanjing Housing Administrative Bureau on 6 February 2005, Phase I was approved for pre-sale.
  - (iv) According to Memorandum of Approval of Development Project – Nanjing International Center (Phase II) Project Nos. (2004) 524 and (2004) 527 issued by Planning and Development Authority of Nanjing and Construction Authority of Nanjing dated 19 July 2004, the total gross floor area permitted for Phase II is 220,000 sq.m.
  - (v) Phase I complies with the legal stipulation for development and pre-sale.
  - (vi) According to the Mortgage Contract No. 2006-019886, Levels 11 to 22 of South Tower (which are under construction), Nanjing International Center (Phase I) are subject to a mortgage to Bank of Communications Nanjing Branch (交通銀行南京分行) for a term from 25 August 2006 to 10 March 2007. (Please see note 12 below.)
  - (vii) According to the Mortgage Contract Nos. 2005-021869, 2005-024925, 2005-023509 and 2005-025643, Levels 1 to 8 of Retail Podium and Levels 11 to 23, Levels 25 to 38 of North Tower (which are under construction), Nanjing International Center (Phase I) are subject to a mortgage to The Hongkong and Shanghai Banking Corporation Limited Shanghai Branch (香港上海滙豐銀行有限公司上海分行) and China CITIC Bank Nanjing Branch (中國中信銀行南京分行) for a term from 17 May 2005 to 16 May 2010.
  - (viii) Nanjing International Group Limited (南京國際集團股份有限公司) and Nanjing City Plaza Construction Co. Ltd. (南京國際商城建設有限公司) are legally established and existing companies.
  - (ix) No adverse behaviour in respect of the legality of Nanjing International Group Limited (南京國際集團股份有限公司), Nanjing City Plaza Construction Co. Ltd. (南京國際商城建設有限公司) and the legal development and pre-sale of property is found.
- (12) According to the Mortgage Extension Contract, the said mortgage in Note 11 (vi) above has been extended to 10 June 2007.
- (13) The status of title and grant of major approvals and licences in accordance with the PRC legal opinion and the information provided by the Company are as follows:

Certificate for the Use of State-owned Land	Yes
Contract for Grant of State-owned Land Use Rights and its Supplement	Yes
Planning Permit for Construction Works	Yes (Phase I)
Permit for Commencement of Construction Works	Yes (Phase I)
Commodity Housing Pre-sale Permit	Yes (Phase I)
Memorandum of Approval of Development Project	Yes (Phase II)
Business Licence	Yes

## 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 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	Corporate	497,232,000 (Note 1)	28.81%
Mr. Kee Wah Sze (“Mr. Kee”)	Corporate	405,889,643 (Note 2)	23.52%
Mr. Ding Chung Keung, Vincent (“Mr. Ding”)	Personal	16,000,000	0.93%
Mr. Lan Ning (“Mr. Lan”)	Personal	4,920,000	0.29%
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	1,600,000	0.09%

*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 as to 67,001,300 Shares by Canasia Profits Corporation (which is wholly owned by Mr. Kee) and as to 338,888,343 Shares 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 respective shareholding interests in Canasia Profits Corporation and Ace Solomon Investments Limited.

*(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	17.37%
Mr. Kee	Corporate	232,558,140 (Note 2)	31 December 2004	HK\$0.129	31 December 2004 to 3 August 2007	9.81%

*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	16,000,000	8 November 2004	HK\$0.148	1 January 2007 to 7 November 2014
Mr. Lan	Personal	8,000,000	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 of the Company**

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	28.81%
Mrs. Wong	497,232,000	28.81%
	<i>(Note 2)</i>	
Mrs. Kee Yip Yue Lin, Loolina ("Mrs. Kee")	405,889,643	23.52%
	<i>(Note 3)</i>	
Ace Solomon Investments Limited <i>(Note 4)</i>	338,888,343	19.64%

*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.
- Mrs. Kee was taken to be interested in such Shares under the SFO by virtue of her spouse, Mr. Kee's shareholding interests in Canasia Profits Corporation and Ace Solomon Investments Limited. Out of those Shares, 338,888,343 Shares were held by Ace Solomon Investments Limited (*Note 4*).
- Ace Solomon Investments Limited is owned as to 11% by Mr. Wong and as to 89% by Mr. Kee, both being Directors.

*(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	17.37%
Golden Cloud Holdings Group Limited	411,764,705 (Note 1)	5 August 2004	HK\$0.170	5 August 2004 to 3 August 2007	17.37%
Mrs. Wong	411,764,705 (Note 1)	5 August 2004	HK\$0.170	5 August 2004 to 3 August 2007	17.37%
Mr. Wong Yu Hung, Davy	411,764,705 (Note 1)	5 August 2004	HK\$0.170	5 August 2004 to 3 August 2007	17.37%
Goldbond Capital Investment Holdings Limited	232,558,140 (Note 2)	31 December 2004	HK\$0.129	31 December 2004 to 3 August 2007	9.81%
Legend (Asia Pacific) Investment Limited	232,558,140 (Note 2)	31 December 2004	HK\$0.129	31 December 2004 to 3 August 2007	9.81%
Grace Honour Limited	232,558,140 (Note 2)	31 December 2004	HK\$0.129	31 December 2004 to 3 August 2007	9.81%
Mrs. Kee	232,558,140 (Note 2)	31 December 2004	HK\$0.129	31 December 2004 to 3 August 2007	9.81%

*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. Kee	Family (Note 1)	16,000,000	8 November 2004	HK\$0.148	1 January 2007 to 7 November 2014
Mrs. Wong	Family (Note 2)	16,000,000	8 November 2004	HK\$0.148	1 January 2007 to 7 November 2014

*Notes:*

- 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.
- 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.

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 Group Limited	Mr. Xie	Beneficial owner	44%

- 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 of the Company 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	Wah Link Investments Ltd	Director
	Golden Cloud Holdings Group Limited	Director

- D. Pursuant to a tenancy agreement dated 18 April 2005, the Company leased a property as its office at a monthly consideration of HK\$68,000 (exclusive of management fees, rate, government rent and operating expenses) for two years commencing from 24 April 2005. The properties are owned by a company that is beneficially owned by Mrs. Wong and a close relative of Mr. Wong and have been used by the Company since June 2004. Further details of the tenancy agreement have been set out in the announcement of the Company dated 19 April 2005.

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 is 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 Wah Sze and 10% by Mr. Wong Yu Lung, Charles, 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.

Pursuant to a tenancy agreement dated 28 April 2006, Rongzhong Group Limited leased a property as its office at a monthly consideration of HK\$22,000 (exclusive of management fees, rates, government rent and operating expenses) for two years commencing from 1 May 2006. The properties are owned by a company that is 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.

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 or arbitration of material importance and no litigation or claim of material importance was pending or threatened against 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. MATERIAL CONTRACTS**

Within the two years immediately preceding the issue of this circular, the following contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Group and are or may be material:

- (a) the agreement dated 17 May 2005 entered into between the Company, 南京國際集團股份有限公司 (for identification purpose, in English, Nanjing City Plaza Construction Co. Ltd.) and a lending bank in relation to, among others, certain undertakings provided by the Company to such lending bank and/or Nanjing City Plaza Construction Co. Ltd.;
- (b) the agreement dated 17 May 2005 entered into between Perfect Honour Limited (a wholly owned subsidiary of the Company) as lender and Rongzhong Group Limited as borrower in respect of the loan of up to HK\$17 million advanced by Perfect Honour Limited to Rongzhong Group Limited;
- (c) the GCHL Revolving Facility Agreement;
- (d) the sales and purchase agreements dated 26 February 2007 entered into between the purchaser and Perfect Manor Limited, Metro Fair Investments Limited and Apex Honour Limited respectively in relation to the disposal of Golden Plaza;

- (e) the GGHL S&P Agreement; and
- (f) the Subscription Agreement.

## 8. EXPERT

- (a) The following is the qualification of the experts which have given its report, opinion or advice which is contained in this circular:

<b>Name</b>	<b>Qualifications</b>
Menlo Capital Limited (“Menlo”)	A licensed corporation under the SFO to carry on type 6 regulated activities
DTZ Debenham Tie Leung Limited (“DTZ”)	Registered professional surveyors

- (b) As at the Latest Practicable Date, neither Menlo nor DTZ had 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 persons to subscribe for securities in any member of the Group.
- (c) Each of Menlo and DTZ has respectively 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) Neither Menlo nor DTZ has any interest, direct or indirect, 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 each of Menlo and DTZ is given as of the date of this circular for incorporation herein.

## 9. 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 Ms. Lin Fung Yi, 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 Unit 3901A, 39th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text.

#### **10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the registered office of the Company at Unit 3901A, 39/F, Tower 1, 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 association and the bye-laws of the Company;
- (b) the audited consolidated financial statement 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 and valuation certificate prepared by DTZ;
- (e) the letters of consents referred to under the paragraph headed "Expert" in this appendix;
- (f) the material contracts referred to under the paragraph headed "Material contracts" in this appendix;
- (g) the GGHL S&P Agreement, the Wah Link S&P Agreement and the Subscription Agreement referred to in this circular; and
- (h) the circular dated 28 March 2007 regarding a very substantial disposal of the Company and this circular issued pursuant to the requirements set out in chapters 14 and/or 14A which have been issued since the date of the latest published audited accounts.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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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)**

**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 Thursday, 10 May 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 agreement for sale and purchase dated 18 March 2007 (the “Agreement”), 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, between the Company as vendor and Bateson Investment Limited (the “Purchaser”) as purchaser, whereby the Company has conditionally agreed to sell and assign, and the Purchaser has conditionally agreed to purchase and accept the assignment of, the entire issued share capital of Sino Dynasty Investments Limited (“Sino Dynasty”) beneficially owned by the Company, and the entire amount of the loan owing by Sino Dynasty to the Company, at an aggregate consideration of HK\$125.3 million, upon the terms and subject to the conditions therein contained, be and is hereby approved, confirmed and ratified and the transactions contemplated under the Agreement be and are 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 Agreement.”

By Order of the Board  
**Kelly Li**  
*Company Secretary*

Hong Kong, dated 19 April 2007

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Registered office:*

Unit 3901A, Tower 1  
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 taking of the poll, 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 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, only the person whose name stands first on the register may vote at the EGM, either personally or by proxy, in respect of such share as if he/she was solely entitled therein, but any one of the other joint holders may be appointed proxy to vote on behalf of such joint holders, and as such proxy to attend and vote at the EGM.