
IMPORTANT

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

If you have sold or transferred all your shares in Goldbond Group Holdings Limited (the “Company”), you should at once hand this circular with the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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GOLDBOND GROUP HOLDINGS LIMITED

金榜集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 172)

Executive Directors:

Wong Yu Lung, Charles,
Deputy Chairman and Chief Executive Officer
Lan Ning, *Deputy Chief Executive Officer*
Ding Chung Keung, Vincent
Kee Wah Sze

Registered Office:

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

Independent Non-executive Directors:

Ip Yin Wah
Ma Ho Fai JP
Melvin Jitsumi Shiraki

21 July 2006

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

Dear Sir or Madam,

**PROPOSALS RELATING TO RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES
AND
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

This circular contains information relating to the proposed re-election of certain directors of the Company (the “Directors”), the general mandates to purchase by the Company of its own shares and to issue new shares, and the proposed amendments to the articles of association of

the Company (the “Articles”) required to be sent to you in compliance with the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) so as to give you all information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions in relation thereto at the annual general meeting of the Company to be held on Wednesday, 13 September 2006 at 10:00 a.m. at JW Marriott Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong (the “AGM”).

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Articles 117 and 118 of the Articles, Messrs. Lan Ning and Ma Ho Fai JP will retire at the AGM and, being eligible, offer themselves for re-election as Directors. Information of the retiring Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular.

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 1 September 2005, a general mandate was given to the board of Directors (the “Board”) to exercise the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company (the “Shares”). Such mandate will lapse at the conclusion of the AGM.

An ordinary resolution will therefore be proposed at the AGM granting the Directors authority to repurchase Shares up to ten per cent. of the issued share capital of the Company in issue as at the date of passing of such resolution (the “Repurchase Mandate”). An explanatory statement as required under the Listing Rules to provide the requisite information concerning the Repurchase Mandate is set out in Appendix II hereto.

GENERAL MANDATE TO ISSUE SHARES

It will also be proposed at the AGM two ordinary resolutions respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding twenty per cent. of the issued share capital of the Company at the date of passing of such resolution (the “Issue Mandate”) and extending the Issue Mandate by adding to it the number of Shares up to ten per cent. of the issued share capital of the Company as at the date of passing the relevant resolution approving the Repurchase Mandate repurchased by the Company under the Repurchase Mandate. Assuming no further Shares are issued or repurchased prior to the AGM and subject to the approval of the Issue Mandate, the Company would be allowed under such mandate to issue a maximum of 332,488,000 Shares during the course of the period prior to the next annual general meeting to be held in 2007.

AMENDMENTS TO ARTICLES OF ASSOCIATION

A special resolution (Resolution 7, the full text of which is set out in the notice convening the AGM in this document) will be proposed at the AGM to amend the Articles to align them with the requirements of the Listing Rules.

PROCEDURES FOR DEMANDING A POLL

Pursuant to the Articles, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands a poll is demanded by:

- (a) the Chairman of the meeting;
- (b) at least three members present in person or by proxy entitled to vote; or
- (c) one member or two members so present and entitled, if that member or those two members together hold not less than fifteen per cent of the paid-up capital of the Company.

ACTION TO BE TAKEN

A notice convening the AGM is set out on pages 9 to 13 of this circular.

Enclosed with the annual report of the Company for the year ended 31 March 2006 (the “Annual Report”) is a form of proxy for use at the AGM. Whether or not you propose to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong so as to be received not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. The return of a form of proxy will not preclude you from attending and voting in person.

RECOMMENDATION

The Directors consider that the proposed re-election of the retiring Directors, the Repurchase Mandate, the Issue Mandate and the proposed amendments to the existing Articles of Association are in the interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend that all shareholders should vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully,
By order of the Board
Wong Yu Lung, Charles
Chief Executive Officer

The following is the information, as required to be disclosed pursuant to the Listing Rules as at 18 July 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein (the “Latest Practicable Date”), on the retiring Directors proposed to be re-elected at the AGM.

- (1) Mr. Lan Ning, aged 43, appointed on 28 January 2003, is the Deputy Chief Executive Officer and an Executive Director of the Company. Mr. Lan has over 20 years’ experience in wide range of business including trading, property development and investment, asset management and corporate restructuring. Prior to joining the Group, he was a senior director of China Poly Group Corporation and the founder and chairman of Guangzhou Poly Investment Limited in the PRC. He is also a director of Prime Investments Holdings Limited (being a listed company in Hong Kong) and a director of certain subsidiaries of the Company. Save as disclosed above, Mr. Lan has not held any other directorships in listed public companies in the last three years.

Mr. Lan has no relationship with any directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lan is taken to be interested in 16,000,000 underlying Shares within the meaning of Part XV of the Securities and Futures Ordinance, the same of which was disclosed in the Annual Report. Save as disclosed above, he does not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Pursuant to the service agreements entered into between the Group and Mr. Lan which have no fixed term with provision for mutual termination at one month’s notice, he is entitled to a monthly remuneration of HK\$80,000, and a discretionary bonus payment determined by the Board from time to time with reference to his duties and responsibilities with the Group and the prevailing market situation. As a member of the Board, he shall be subject to retirement by rotation and re-election in accordance with the Articles.

Save as disclosed above, there is nothing to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules and there are no other matters which need to be brought to the attention of the shareholders in connection with Mr. Lan’s re-election.

- (2) Mr. Ma Ho Fai JP, aged 54, appointed as an independent non-executive Director on 14 February 2003. He is a member of the Company's audit committee and the remuneration committee. Mr. Ma is a partner of Woo, Kwan, Lee and Lo and was admitted as a solicitor in Hong Kong, England and Wales, Australian Capital Territory and Singapore. He is also a China-Appointed Attesting Officer in Hong Kong. In addition, he is a member of the 9th Yunnan Provincial Committee of the Chinese People Political Consultative Conference. Mr. Ma was an independent non-executive director of Far East Hotels and Entertainment Limited, a public listed company in Hong Kong until September 2004. Save as disclosed above, he has not held any other directorships in listed public companies in the last three years.

Mr. Ma has no relationship with any directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Ma is taken to be interested in 1,600,000 underlying Shares within the meaning of Part XV of the Securities and Futures Ordinance, the same of which was disclosed in the Annual Report. Save as disclosed above, he does not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Ma has not entered into any service contracts with the Company. He was appointed for a specific term until 14 February 2009 but is subject to retirement by rotation and re-election in accordance with the Articles. He is entitled to an annual director's fee of HK\$120,000 which was fixed by the Board with reference to his duties and responsibilities with the Company and the prevailing market conditions. He is not entitled to any bonus payments.

Save as disclosed above, there is nothing to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules and there are no other matters which need to be brought to the attention of the shareholders in connection with Mr. Ma's re-election.

This explanatory statement contains the information required under Rule 10.06(1)(b) of the Listing Rules. Its purpose is to provide shareholders with information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued ordinary share capital of the Company comprised 1,662,440,000 Shares of HK\$0.10 each. On the basis that no further Shares are issued or repurchased prior to the AGM and subject to the passing of the relevant ordinary resolution approving the Repurchase Mandate, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 166,244,000 Shares during the course of the period prior to the next annual general meeting to be held in 2007.

2. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interest of the Company and its shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or its earnings per Share and will only be made when the Directors consider that such repurchases will benefit the Company and its shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum and articles of association of the Company and the laws of Hong Kong.

As compared with the financial position disclosed in the audited financial statements for the year ended 31 March 2006 as contained in the Annual Report, the Directors anticipate that there might be an adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate was to be exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors are from time to time appropriate for the Company.

4. GENERAL

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their associates, have any present intention to sell any of the Shares to the Company or its subsidiaries if the Repurchase Mandate is approved by its shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the applicable laws of Hong Kong and the Listing Rules.

No purchase has been made by the Company of its Shares in the six months prior to the date of this circular (whether on the Stock Exchange or otherwise).

No “connected person” (as defined in the Listing Rules) has notified the Company that it has a present intention to sell any of the Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

5. EFFECT UNDER THE CODE

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a shareholder’s proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Hong Kong Code on Takeovers and Mergers (the “Code”). As a result, a shareholder or group of shareholders acting in concert (as defined in the Code), depending on the level of such increase, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, Allied Luck Trading Limited (“Allied Luck”) and Ace Solomon Investments Limited (“Ace Solomon”) were interested in approximately 29.91% and 20.38% of the issued ordinary share capital of the Company respectively. Ace Solomon is a party acting in concert with Allied Luck. Assuming that there will be no change to the issued ordinary share capital of the Company between the Latest Practicable Date and the date of exercising the Repurchase Mandate, if the Repurchase Mandate, if so approved, is exercised in full, the shareholding of Allied Luck and Ace Solomon will be increased to approximately 33.23% and 22.65% of the issued ordinary share capital of the Company respectively and together they and parties acting in concert with them may be required to make a mandatory general offer under Rule 26 of the Code.

The Directors have no present intention to exercise the Repurchase Mandate to repurchase would result in less than 25% of the issued share capital of the Company in the public hands.

6. SHARES PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the printing of this circular were as follows:

Month	Price per Share	
	Highest Price <i>(HK\$)</i>	Lowest Price <i>(HK\$)</i>
2005		
July	0.138	0.116
August	0.130	0.110
September	0.130	0.113
October	0.124	0.110
November	0.125	0.100
December	0.123	0.100
2006		
January	0.120	0.102
February	0.124	0.108
March	0.200	0.112
April	0.335	0.173
May	0.330	0.222
June	0.236	0.175
July (up to the Latest Practicable Date)	0.212	0.166

NOTICE OF ANNUAL GENERAL MEETING



GOLDBOND GROUP HOLDINGS LIMITED

金榜集團控股有限公司

(Incorporated in Hong Kong with limited liability)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Goldbond Group Holdings Limited 金榜集團控股有限公司 (the “Company”) will be held at JW Marriott Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 13 September 2006 at 10:00 a.m. to transact the following ordinary business:

1. to receive and consider the audited financial statements and the reports of the Directors and of the auditors for the year ended 31 March 2006;
2. to re-elect the following retiring Directors of the Company and to authorise the board of Directors to fix their remuneration:
 - (a) Mr. Lan Ning; and
 - (b) Mr. Ma Ho Fai JP;
3. to re-appoint KPMG as auditors of the Company and to authorise the board of Directors to fix their remuneration;

and, by way of special business, to consider and, if thought fit, to pass with or without amendment(s), the following resolutions as ordinary resolutions:

4. **“THAT:**
 - (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined herein) of all the powers of the Company to repurchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject

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to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time (the “Listing Rules”), be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of the shares which may be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed ten per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by the passing of an ordinary resolution of the shareholders of the Company in general meeting.”;

5. **“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as defined herein) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures, notes and any other securities which carry rights to subscribe for and are convertible into shares of the Company) which would or might require the exercise of such power, subject to and in accordance with all applicable laws and the requirements of the Listing Rules, be and is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures, notes and any other securities which carry rights to subscribe for and are convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereafter defined); (ii) an issue of shares of the Company upon the exercise of conversion rights under the terms of any warrants, debentures and notes issued by the Company or any securities which are convertible into shares of the Company; (iii) the exercise of any option under the share option scheme of the Company or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company; (iv) any scrip dividends or similar arrangement providing for the allotment and issue of shares of the Company in lieu of the whole or part of the dividend on shares of the Company pursuant to the Articles of Association of the Company, shall not exceed twenty per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by the passing of an ordinary resolution of the shareholders of the Company in general meeting; and

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“Right Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal restrictions under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”;

6. “**THAT** conditional upon the passing of resolution numbered 4 and numbered 5 set out in this notice, the aggregate nominal amount of the share capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in resolution numbered 4 above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to resolution numbered 5 above.”; and

and, by way of special business, to consider and, if thought fit, to pass with or without amendments, the following resolution as a special resolution:

7. “**THAT** the Articles of Association of the Company be amended as follows:
 - (A) by deleting Article 64 in its entirety and substituting the following new Article 64:

“At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll be demanded:

 - (a) by the Chairman (being a person entitled to vote); or
 - (b) by 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) by 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

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- (d) by 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 of Hong Kong Limited, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (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.”;

- (B) by inserting the following new Article 64A and Article 64B immediately after Article 64:

“64A. Unless a poll is duly demanded and demand is not withdrawn, a declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolutions.

64B. If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of The Stock Exchange of Hong Kong Limited.”;

- (C) Article 103 shall be amended by deleting the word “not” appearing in the first line and the words “retirement by rotation, and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire, but (subject to the provisions of any contract between him and the Company) he shall be subject to” appearing in the second line; and

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(D) by deleting the word “exceeding” and replacing therewith the word “less than” appearing in the second line of Article 117.”

By Order of the Board
Goldbond Group Holdings Limited
Kelly Li
Secretary

Hong Kong, 21 July 2006

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote on his behalf. The proxy need not be a member of the Company.
2. In order to be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the Company’s Registrar, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time for holding the Annual General Meeting or any adjournment thereof.
3. Information on the retiring Directors are set out in Appendix I to this circular which this notice forms part.