
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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.

**GOLDBOND GROUP HOLDINGS LIMITED****金榜集團控股有限公司***(Incorporated in Hong Kong with limited liability)***(Stock code: 172)****DISCLOSEABLE
AND
CONTINUING CONNECTED TRANSACTION****Independent financial adviser to the Independent Board Committee
and the Independent Shareholders****MENLO CAPITAL LIMITED**

A letter from the Board is set out on pages 4 to 9 of this circular. A letter from the Independent Board Committee is set out on page 10 of this circular.

A letter of advice from Menlo Capital Limited, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 17 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 Monday, 6 March 2006 at 10:00 a.m. is set out on pages 26 to 27 to 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 or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

17 February 2006

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	10
LETTER OF ADVICE FROM MENLO CAPITAL	11
APPENDIX – GENERAL INFORMATION	18
NOTICE OF EXTRAORDINARY GENERAL MEETING	26

DEFINITIONS

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

“Agreement”	the agreement dated 25 January 2006 entered into between the Company and GCHL for the provision of the Revolving Facility by the Company
“Armstrong”	Armstrong Capital Limited, beneficially wholly owned by Mr. Ko Po Ming, a former Director
“associates”	has the same meaning as ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Goldbond Group Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Cost of Funding”	cost of funding to the Company for the provision of the Revolving Facility, which equals to 0.85% above one, two or three month(s) Hong Kong Interbank Offered Rates (HIBOR)
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held at JW Marriott Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 6 March 2006 at 10:00 a.m. to consider the ordinary resolution to be proposed to approve the Agreement and the transactions contemplated thereunder
“GCHL”	Goldbond Capital Holdings Limited, a company incorporated in Hong Kong with limited liability which is owned as to 20% by Flourish Global Limited (a wholly owned subsidiary of the Company), 46.25% by GCIHL, 18.125% by Armstrong, 9.375% by an independent third party and 6.25% by a trustee for holding of shares in GCHL for the benefit of key management personnel of GCHL
“GCHL Group”	GCHL and its subsidiaries

DEFINITIONS

“GCIHL”	Goldbond Capital Investment Holdings Limited, a company indirectly owned as to 90% by Mr. Kee and 10% by Mr. Wong, both Directors
“Group”	the Company and its subsidiaries
“Independent Board Committee”	an independent board committee of the Company formed for the purpose of advising the Independent Shareholders in relation to the provision of the Revolving Facility by the Company
“Independent Shareholders”	the Shareholders other than Mr. Kee and Mr. Ko Po Ming
“independent third party(ies)”	a person(s) or company(ies) which is/are independent of any of the directors, the controlling Shareholders, the substantial shareholders and the chief executive (as such term is defined in the Listing Rules) of the Company or any of its subsidiaries and their respective associates
“Interest Period”	means each period, with a duration of one month, two months or three months, specified by GCHL for the calculation of interest on the Revolving Facility or any part thereof, as the case may be, in relation to any drawdown of the Revolving Facility
“Latest Practicable Date”	15 February 2006, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Market Capitalisation”	the market capitalisation of the Company of approximately HK\$178,214,000 based on the average closing price of HK\$0.1072 per Share for the five business days immediately preceding the date of the Agreement
“Menlo Capital”	Menlo Capital Limited, a licensed corporation registered under the SFO to carry out type 6 regulated activities (as defined in the SFO) and the independent financial adviser to the Independent Board Committee and the Independent Shareholders

DEFINITIONS

“Mr. Kee”	Mr. Kee Wah Sze, a Director
“Mr. Wong”	Mr. Wong Yu Lung, Charles, a Director and Chief Executive Officer of the Company
“Percentage Ratios”	the percentage ratios under Rule 14.07 of the Listing Rules, other than the revenue ratio, equity capital ratio and profits ratio
“Preference Shares”	both the “A” redeemable convertible preference shares and the “B” redeemable convertible preference shares of the Company
“Prime Rate”	the best lending rate offered by The Hongkong and Shanghai Banking Corporation Limited
“Revolving Facility”	the unsecured revolving facility in the amount of up to HK\$40,000,000 to be provided by the Company to GCHL
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Total Assets”	total assets of the Company as at 30 September 2005
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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. Wong Yu Lung, Charles
Mr. Lan Ning
Mr. Kee Wah Sze
Mr. Ding Chung Keung, Vincent

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

17 February 2006

*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,

DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTION

INTRODUCTION

On 25 January 2006, the Agreement was entered into between the Company and GCHL in relation to the grant of the Revolving Facility, a term loan facility of up to HK\$40,000,000, by the Company to GCHL for a term of three years commencing from the date of the Agreement.

The purpose of this circular is to provide you with further information regarding, among other things, the Agreement, the recommendation of the Independent Board Committee to the Independent Shareholders and the advice of Menlo Capital to the Independent Board Committee and the Independent Shareholders in relation to the Agreement and the transactions contemplated thereunder and to give you notice of the EGM at which ordinary resolution will be proposed to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder.

The recommendation of the Independent Board Committee to the Independent Shareholders are set out on page 10 of this circular. A copy of the letter of advice from Menlo Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 17 of this circular.

LETTER FROM THE BOARD

THE AGREEMENT

Date

25 January 2006

Parties

- (1) The Company
- (2) GCHL

The Revolving Facility

Under the Agreement, the Revolving Facility, a term loan facility of up to HK\$40,000,000, shall be granted by the Company to GCHL for a term of three years commencing from the date of the Agreement.

The Revolving Facility carries an interest rate of 3% above the Prime Rate or the Cost of Funding (whichever is higher), payable by GCHL to the Company on the last day of each Interest Period. These terms are determined after arm's length negotiations between the parties thereto the Agreement. Further, the Revolving Facility is unsecured and repayable by GCHL to the Company at expiry of the Agreement or at such time(s) as agreed by the parties to the Agreement.

In addition, GCHL shall pay to the Company a commitment fee equivalent to 0.25% per annum on the daily undrawn balance of the Revolving Facility from the date of completion of the Agreement until the date falling 35 months from the date of the Agreement (the "Drawdown Period"). Such commitment fee shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed in a year of 365 days and be payable monthly in arrears from the date of completion of the Agreement and on the last day of the Drawdown Period or on such earlier date on which the Revolving Facility is reduced to zero, and the first payment shall be made one month after the date of completion of the Agreement.

The source of funding of the Revolving Facility will be from, among others, bank borrowings and/or internal resources of the Group (the "Source of Funding").

The Company will fulfill the continuing disclosure obligation under Chapter 13 of the Listing Rules so long as circumstances giving rise to such disclosure obligation continue to exist.

LETTER FROM THE BOARD

Condition precedent of the Agreement

Completion of the Agreement is conditional upon the following:

1. the Company having obtained the clearance from the Stock Exchange for the release or publication of all announcements, circulars, documents and other matters as may be required by the Company in connection with the Agreement and the transactions contemplated thereunder;
2. the Independent Shareholders having approved, by poll, the Agreement and the transactions contemplated thereunder in accordance with the Listing Rules;
3. the Company having received from GCHL Group a letter issued by SFC approving in principle the application of the Subordinated Loan (as defined below) by Goldbond Securities Limited, a wholly owned subsidiary of GCHL; and
4. all other approvals and consents as the Company may require having been obtained to its satisfaction.

As at the Latest Practicable Date, condition (3) has been satisfied. The Directors expect all other conditions to be fulfilled on or before 31 March 2006. If any of the conditions are not fulfilled to the satisfaction of the Company or waived by the Company at its absolute discretion on or before the long stop date (30 April 2006), the Company may elect to extend such date to a later date or to terminate this Agreement. Conditions (1) and (2) will not be waived by the Company. Should condition (4) is to be waived by the Company, the Company will advise the Independent Shareholders according to the Listing Rules and such waiver will be subject to the approval of the Independent Shareholders.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE AGREEMENT

The Group is principally engaged in property development and investment and provision of financial services in Hong Kong and the People's Republic of China. As set out in the interim report of the Company for the six months ended 30 September 2005, the Group takes every opportunity to focus upon and expand its strategic business developments in property and finance industries with proactive approach.

As at the Latest Practicable Date, the Company through its wholly owned subsidiary, is beneficially interested in 20% of GCHL. The Revolving Facility will be on-lent by GCHL to its subsidiary, Goldbond Securities Limited, by way of a subordinated loan (the "Subordinated Loan") to facilitate the operation and for general working capital purposes of the GCHL Group, mainly to assist Goldbond Securities Limited, as a licensed corporation carrying on type 1 and 4 regulated activities under the SFO, in complying with the relevant requirements of the Securities and Futures (Financial Resources) Rules. As a shareholder of GCHL, the Directors believe that the provision of the Revolving Facility would facilitate the operation of GCHL Group for its continual developments and at the same time, generation of income for the Company.

LETTER FROM THE BOARD

The amount of the Revolving Facility to be drawdown by GCHL will be recorded as a non-current asset of the Company. The Directors are of the view that the provision of the Revolving Facility to GCHL will not materially affect the cashflow requirement of the Group in view of the Group's available internal resources and banking facilities.

In the case that the Source of Funding being from bank borrowings, both the loan receivable from GCHL and the loan payables to bank of the Company will increase simultaneously by the same amount. In the case that the Source of Funding being from internal resources of the Group, the loan receivable from GCHL of the Company will increase simultaneously by the same amount as the reduction of bank balances of the Company. In both cases, the net assets value of the Company will remain the same.

Under the terms of the Agreement, the difference between the interest of the Revolving Facility and the Source of Funding, which also represents the net interest income of the Group, will not be less than 3% of the amount being drawdown by GCHL. Having considered such expected income, the Directors consider that the provision of the Revolving Facility to GCHL is in the interests of the Company and the Shareholders as a whole.

The Directors consider that the Agreement was entered into on normal commercial terms and the terms thereof are fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

INFORMATION ON GCHL

GCHL was incorporated on 2 July 2002 and is currently owned as to 20% by Flourish Global Limited (a wholly owned subsidiary of the Company), 46.25% by GCIHL, 18.125% by Armstrong, 9.375% by an independent third party and 6.25% by a trustee for holding of shares in GCHL for the benefit of key management personnel of GCHL.

With its head office located in Hong Kong, the GCHL Group 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, mergers and acquisitions, underwriting and arrangement of fund raising, debt and corporate restructuring and asset management. GCHL's subsidiaries have obtained all necessary licences and approvals (if required) from the SFC and other regulatory bodies to conduct securities-related business.

IMPLICATION UNDER THE LISTING RULES

Since the amount of the Revolving Facility under the Agreement exceeds 8% of the Percentage Ratios, the entering into the Agreement is subject to the disclosure requirements under Rules 13.13 and 13.16 of the Listing Rules.

The amount of the Revolving Facility represents approximately 5.7% and 22.4% of the Total Assets and Market Capitalisation respectively. As a result, the provision of the Revolving Facility by the Company constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

Mr. Kee, being a Director and hence a connected person of the Company, is deemed to be interested in 46.25% of GCHL (other than his indirect interest through the Company) through his interest in GCIHL. As the Revolving Facility is revolving in nature, the provision of the Revolving Facility by the Company to GCHL constitutes a continuing connected transaction of and financial assistance by the Company under Chapter 14A of the Listing Rules. As the Revolving Facility is for an amount of up to HK\$40,000,000, therefore the outstanding amount of the Revolving Facility will not be, at any point of time during the period from 25 January 2006 to 31 March 2006 and each of the two financial years ending 31 March 2008 and from 1 April 2008 until the expiry of the Agreement (i.e. 24 January 2009), more than HK\$40,000,000, which is also the annual cap for the transaction for each of the financial year ending 31 March 2006, 2007 and 2008 of the Company. Subsequent to 31 March 2008, the Company will make further announcement and seek shareholders' approval (if necessary) for the Revolving Facility in accordance with the Listing Rules. As the maximum annual amount to be involved under the Revolving Facility will exceed HK\$10,000,000, it is subject to reporting, announcement and independent shareholders' approval requirements under Rules 14A.35 and 14A.63 of the Listing Rules. Mr. Kee and his associates will abstain from voting on the proposed resolution in relation to the Agreement. Mr. Ko Po Ming (a former Director within the preceding 12 months from the date of the Agreement), being beneficially interested in 18.125% of GCHL (other than his indirect interest through the Company, if any) through his interest in Armstrong, and his associates will also abstain from voting on the proposed resolution in relation to the Agreement.

GENERAL

The Group is principally engaged in property development and investment and provision of financial services in Hong Kong and The People's Republic of China. As set out in the interim report of the Company for the six months ended 30 September 2005, the Group takes every opportunity to focus upon and expand its strategic business developments in property and finance industries with proactive approach.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board committee, comprising Messrs. Ip Yin Wah, Ma Ho Fai JP and Melvin Jitsumi Shiraki, being the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the Agreement and the transactions contemplated thereunder. Menlo Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

THE EGM

The Company will seek approval from the Independent Shareholders in relation to the provision of the Revolving Facility under the Agreement at the EGM by way of poll.

Mr. Kee and Mr. Ko Po Ming shall abstain from voting at the EGM.

A notice convening the EGM to be held at JW Marriott Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 10:00 a.m. on 6 March 2006 is set out on pages 26 to 27 to this circular. A form of proxy for use at the EGM is also enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the

LETTER FROM THE BOARD

enclosed 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 meeting or any adjourned thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

POLL PROCEDURE

As the provision of the Revolving Facility constitutes a continuing connected transaction of and financial assistance by the Company, it is required to be approved by the Independent Shareholders by way of poll under the provisions of the Listing Rules.

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

- (a) the Chairman (being a person entitled to vote);
- (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 to vote, if that member or those two members together hold not less than 15% of the paid-up share capital of the Company.

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.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders set out on page 10 of this circular. The Independent Board Committee, having taken into account the advice of Menlo Capital, the text of which is set out on pages 11 to 17 of this circular, considers that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole and recommends the Independent Shareholders to vote in favour of the ordinary resolution approving the Agreement and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

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)

17 February 2006

To the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTION

We have been appointed as members of the Independent Board Committee to advise you in connection with the Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board contained in the circular to the Shareholders dated 17 February 2006 (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 Agreement and the transactions contemplated thereunder and the advice of Menlo Capital in relation thereto as set out on pages 11 to 17 of the Circular, we are of the opinion that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. We also concur with Menlo Capital’s advice and recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder.

Yours faithfully,

Independent Board Committee

Ip Yin Wah

Ma Ho Fai JP

Melvin Jitsumi Shiraki

Independent non-executive Directors

LETTER OF ADVICE FROM MENLO CAPITAL

The following is the text of a letter from Menlo Capital in connection with the Agreement in respect of the provision of the Revolving Facility, 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

17 February 2006

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

Dear Sirs,

DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders the Agreement in respect of the provision of the Revolving Facility by the Company which constitutes a discloseable and continuing connected transaction (the “Transaction”), details of which are set out in the letter from the Board (the “Board Letter”) contained in the circular of the Company dated 17 February 2006 (the “Circular”) of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context of this letter otherwise requires.

On 25 January 2006, the Agreement was entered into between the Company and GCHL in relation to the grant of the Revolving Facility, a term loan facility of up to HK\$40,000,000, by the Company to GCHL for a term of three years commencing from the date of the Agreement.

Mr. Kee, a Director and hence a connected person of the Company, is beneficially interested in approximately 41.63% of GCHL through his interest in GCIHL. As the Revolving Facility is revolving in nature, the provision of the Revolving Facility by the Company to GCHL constitutes a continuing connected transaction of and financial assistance by the Company under the Listing Rules. As the maximum annual amount to be involved under the Revolving Facility will exceed HK\$10,000,000, it is subject to reporting, announcement and independent shareholders’ approval requirements under the Listing Rules.

In formulating our opinion, we have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and the management of the Company. We have assumed that all

LETTER OF ADVICE FROM MENLO CAPITAL

information, representations and opinions contained or referred to in the Circular and all information, representations and opinions which have been provided by the Directors or the management of the Company for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate at the date of the despatch of the Circular.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business and affairs of the Company or its respective subsidiaries or associated companies. We have taken all reasonable steps pursuant to Note 1 (a) to (e) to rule 13.80 of the Listing Rules which include the following:

- (a) obtaining all information and documents of the Company relevant to an assessment of the fairness and reasonableness of the terms of the Revolving Facility, including but not limited to the documents and materials, such as the Agreement, the correspondences with the SFC in relation to the subordinated loan of Goldbond Securities Limited, the correspondences with GCHL and the bank facility letters showing the effort of the Company in structuring the terms of the Agreement for the Company and GCHL;
- (b) researching the financial services market, including the banking sector and the finance services sector on the terms of money lending transactions;
- (c) reviewing the audited accounts of GCHL and its subsidiary, Goldbond Securities Limited, the business nature and organization structure of the Group; and
- (d) obtaining confirmation from the Directors that there is no third party expert providing an opinion and there is no alternative proposal as replacement of the Revolving Facility as at the Latest Practical Date.

PRINCIPAL FACTORS TAKEN INTO ACCOUNT

In arriving at our advice to the Independent Board Committee and the Independent Shareholders the Agreement in respect of the provision of the Revolving Facility by the Company, we have taken the following principal factors and reasons into consideration:

I. Background and reasons for entering into the Agreement

The Group is principally engaged in property development and investment and provision of financial services in Hong Kong and The People's Republic of China. As set out in the interim report of the Company for the financial year ended 30 September 2005, the Group takes every opportunity to focus upon and expand its strategic business developments in property and finance industries with proactive approach.

LETTER OF ADVICE FROM MENLO CAPITAL

As at the Latest Practicable Date, the Company through its wholly owned subsidiary, is beneficially interested in 20% of GCHL. The Revolving Facility will be on-lent by GCHL to its subsidiary, Goldbond Securities Limited, by way of a subordinated loan (the “Subordinated Loan”) to facilitate the operation and for general working capital purposes of the GCHL Group, mainly to assist Goldbond Securities Limited, as a licensed corporation carrying on types 1 and 4 regulated activities under the SFO, in complying with the relevant requirements of the Securities and Futures (Financial Resources) Rules.

Under the terms of the Agreement, the difference between the interest of the Revolving Facility and the source of funding of the Revolving Facility will be from, among others, bank borrowings and/or internal resources of the Group (the “Source of Funding”), which also represents the net interest income of the Group, will not be less than 3% of the amount being drawdown by GCHL.

GCHL was incorporated on 2 July 2002 and is currently owned as to 20% by Flourish Global Limited (a wholly owned subsidiary of the Company), 46.25% by GCIHL, 18.125% by Armstrong, 9.375% by an independent third party and 6.25% by a trustee for holding of shares in GCHL for the benefit of key management personnel of GCHL.

With its head office located in Hong Kong, the GCHL Group 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, mergers and acquisitions, underwriting and arrangement of fund raising, debt and corporate restructuring and asset management. GCHL’s subsidiaries have obtained all necessary licences and approvals (if required) from the SFC and other regulatory bodies to conduct securities-related business.

The amount of the Revolving Facility to be drawdown by GCHL will be recorded as a non-current asset of the Company. The Directors are of the view that the provision of the Revolving Facility to GCHL will not materially affect the cashflow requirement of the Group in view of the Group’s available internal resources and banking facilities and the provision of the Revolving Facility would facilitate the operation of GCHL Group for its continual developments and at the same time, generation of income for the Company.

We share the view of the Directors that, as a shareholder of GCHL, the provision of the Revolving Facility would facilitate the operation of GCHL Group for its continual developments and at the same time, generation of income for the Company.

II. Terms of the Agreement

Consideration

On 25 January 2006, the Agreement was entered into between the Company and GCHL in relation to the grant of the Revolving Facility, a term loan facility of up to HK\$40,000,000, by the Company to GCHL for a term of three years commencing from the date of the Agreement.

LETTER OF ADVICE FROM MENLO CAPITAL

The Revolving Facility carries an interest rate of 3% above the Prime Rate or the Cost of Funding (whichever is higher), payables by GCHL to the Company on the last day of each Interest Period. These terms are determined after arm's length negotiations between the parties thereto the Agreement. Further, the Revolving Facility is unsecured and repayable by GCHL to the Company at expiry of the Agreement or at such time(s) as agreed by the parties to the Agreement.

In addition, GCHL shall pay to the Company a commitment fee equivalent to 0.25% per annum on the daily undrawn balance of the Revolving Facility from the date of completion of the Agreement until the date falling 35 months from the date of the Agreement (the "Drawdown Period"). Such commitment fee shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed in a year of 365 days and be payable monthly in arrears from the date of completion of the Agreement and on the last day of the Drawdown Period or on such earlier date on which the Revolving Facility is reduced to zero, and the first payment shall be made one month after the date of completion of the Agreement.

Under the terms of the Agreement, the difference between the interest of the Revolving Facility and the Source of Funding, which also represents the net interest income of the Group, will be not less than 3% of the amount being drawdown by GCHL. We have researched the financial services market, including the banking sector and the finance services sector on the terms of money lending transactions and obtained eight term sheets for unsecured advances. To the best of our knowledge, the interest spread to be generated from the drawdown balance of the Revolving Facility not less than 3% plus a commitment fee equivalent to 0.25% per annum on the daily undrawn balance of the Revolving Facility is well above the average interest spread of the unsecured advances. Having considered such expected income, the Directors consider that the provision of the Revolving Facility to GCHL is in the interests of the Company and the Shareholders as a whole.

We consider that the Agreement was entered into on normal commercial terms and the terms thereof are fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

III. Financial situation of the Company

Net tangible assets and working capital

Under the Agreement the Company will grant the Revolving Facility to GCHL, a term loan facility of up to HK\$40,000,000, for a term of three years. As a result, the loan receivable related to the advances to GCHL for on-lent to Goldbond Securities Limited will be a non-current asset.

Under the scenario of the Source of Funding being from bank borrowings, both the loan receivables from GCHL and the loan payables to bank will increase for the same amount. Under the scenario of the Source of Funding being from internal

LETTER OF ADVICE FROM MENLO CAPITAL

resources of the Group, the loan receivables from GCHL will increase simultaneous for the same amount of the reduction of bank balance of the Company. Under both scenarios, the net tangible assets of the Company will remain the same.

Under the scenario of the Source of Funding being from bank borrowings, the loan receivable from GCHL being a non-current asset, and the loan payable being current liability to bank, will increase simultaneous for the same amount. The working capital (expressed as the net position of the current assets and the current liabilities) will deteriorate due to the provision of the Revolving Facility to GCHL. The unaudited accounts of the Company, as at 30 September 2005, current assets of the Company was approximately HK\$133.2 million and the current liabilities of the Company was approximately HK\$73.0 million.

Under the scenario of the Source of Funding being from internal resources of the Group, the loan receivable from GCHL, being a non-current asset, will increase simultaneous by the same amount of the reduction of bank balance, being a current asset of the Company. The working capital will deteriorate due to the provision of the Revolving Facility to GCHL.

The amount of the Revolving Facility to be drawdown by GCHL will be recorded as a non-current asset of the Company. The provision of the Revolving Facility to GCHL will not materially affect the cashflow requirement of the Group in view of the Group's available internal resources and banking facilities and the provision of the Revolving Facility would facilitate the operation of GCHL Group for its continual developments and at the same time, generation of income for the Company. We consider that the provision of the Revolving Facility will have no impact on the net tangible assets of the Company and the impact on the working capital of the Company will be minimal.

Gearing

Under the scenario of the Source of Funding being from bank borrowings, both the total liabilities and the total assets will be increased by the same amount. As long as, the gearing ratio (being total liabilities to the total assets) is below 100%, the gearing will increase. As at 30 September 2005, the unaudited total liabilities of the Company was approximately HK\$352.7 million and the total assets was approximately HK\$706.7 million. The gearing ratio was 49.9% as at 30 September 2005.

Based on the total assets of the Company as at 30 September 2005 of approximately HK\$706.7 million, the maximum extent of increase in the gearing for HK\$40 million is less than 6%. With consideration of the total assets will be increased at the same amount of the loan drawdown, we are of the view that the maximum impact on the gearing will be mild.

Under scenario of the Source of Funding being from internal resources of the Group, no borrowing will be required. As the total assets will remain the same, there is no change of gearing.

LETTER OF ADVICE FROM MENLO CAPITAL

We are of the view that under the scenario of the Source of Funding being from bank borrowings, there will be a mild negative impact on the gearing position of the Company.

Earnings

Under the terms of the Agreement, the difference between the interest of the Revolving Facility and the Source of Funding, which also represents the net interest income of the Group, will be not less than 3% of the amount being drawdown by GCHL.

In addition, GCHL shall pay to the Company a commitment fee equivalent to 0.25% per annum on the daily undrawn balance of the Revolving Facility from the date of completion of the Agreement until the date falling 35 months from the date of the Agreement (the "Drawdown Period"). Such commitment fee shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed in a year of 365 days and be payable monthly in arrears from the date of completion of the Agreement and on the last day of the Drawdown Period or on such earlier date on which the Revolving Facility is reduced to zero, and the first payment shall be made one month after the date of completion of the Agreement.

We are of the view that the provision of the Revolving Facility will improve the earnings of the Company.

IV. Recommendation

Taking into consideration of the above principal factors, in particular:

- the provision of the Revolving Facility would facilitate the operation of GCHL Group for its continual developments;
- Under the Agreement, net interest income of the Group will be at a rate of not less than 3% per annum for the Revolving Facility utilized;
- in addition, GCHL will pay to the Company a commitment fee equivalent to 0.25% per annum on the daily undrawn balance of the Revolving Facility;
- the Agreement was entered into on normal commercial terms and the terms thereof are fair and reasonable;
- the net tangible assets position due to the provision of the Revolving Facility to GCHL will be maintained;
- the earnings of the Company will increase;
- the working capital level will deteriorate but the impact will be minimal; and
- the gearing ratio may increase but relatively mild at the maximum extent,

LETTER OF ADVICE FROM MENLO CAPITAL

we are of the view that the respective terms of the Agreement and the transactions contemplated thereunder are fair and reasonable so far as the interests of the Company and the Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder.

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

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

A. Interests of Directors and chief executive in securities

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

(i) Interests in Shares

Name of Director	Nature of interest	Number of Shares	Approximate shareholding percentage
Mr. Wong Yu Lung, Charles (“Mr. Wong”)	Corporate	497,232,000 (Note 1)	29.91%
Mr. Kee Wah Sze (“Mr. Kee”)	Corporate	405,889,643 (Note 2)	24.42%
Mr. Ding Chung Keung, Vincent (“Mr. Ding”)	Personal	2,600,000	0.16%
Mr. Melvin Jitsumi Shiraki (“Mr. Shiraki”)	Personal	2,100,000	0.13%

Notes:

- 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	17.85%
Mr. Kee	Corporate	232,558,140 (Note 2)	31 December 2004	HK\$0.129	31 December 2004 to 3 August 2007	10.08%

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	16,000,000	8 November 2004	HK\$0.148	1 January 2007 to 7 November 2014
Mr. Kee	Personal	16,000,000	8 November 2004	HK\$0.148	1 January 2007 to 7 November 2014
Mr. Lan Ning	Personal	16,000,000	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
Mr. Ip Yin Wah	Personal	1,600,000	29 July 2005	HK\$0.132	1 January 2007 to 28 July 2015
Mr. Ma Ho Fai JP	Personal	1,600,000	29 July 2005	HK\$0.132	1 January 2007 to 28 July 2015
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	69,375,000	46.25%

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	29.91%
Mrs. Wong	497,232,000	29.91%
	<i>(Note 2)</i>	
Mrs. Kee Yip Yue Lin, Loolina ("Mrs. Kee")	405,889,643	24.42%
	<i>(Note 3)</i>	
Ace Solomon Investments Limited <i>(Note 4)</i>	338,888,343	20.39%

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	17.85%
Golden Cloud Holdings Group Limited	411,764,705 (Note 1)	5 August 2004	HK\$0.170	5 August 2004 to 3 August 2007	17.85%
Mrs. Wong	411,764,705 (Note 1)	5 August 2004	HK\$0.170	5 August 2004 to 3 August 2007	17.85%
Mr. Wong Yu Hung, Davy	411,764,705 (Note 1)	5 August 2004	HK\$0.170	5 August 2004 to 3 August 2007	17.85%
Goldbond Capital Investment Holdings Limited	232,558,140 (Note 2)	31 December 2004	HK\$0.129	31 December 2004 to 3 August 2007	10.08%
Legend (Asia Pacific) Investment Limited	232,558,140 (Note 2)	31 December 2004	HK\$0.129	31 December 2004 to 3 August 2007	10.08%
Grace Honour Limited	232,558,140 (Note 2)	31 December 2004	HK\$0.129	31 December 2004 to 3 August 2007	10.08%
Mrs. Kee	232,558,140 (Note 2)	31 December 2004	HK\$0.129	31 December 2004 to 3 August 2007	10.08%

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:

1. 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.
2. 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.

- 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

- 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 the 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. 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 2005, 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 were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2005, the date to which the latest published audited consolidated financial statements of the Company were made up.

7. EXPERT

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

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

- (b) As at the Latest Practicable Date, Menlo Capital did not have any direct or indirect shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

- (c) Menlo Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they are included.
- (d) Menlo Capital does not have 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 2005, the date to which the latest published audited financial statements of the Company were made up.
- (e) The letter and recommendation from Menlo Capital is given as of the date of this circular for incorporation herein.

8. GENERAL

- (a) The secretary of the Company is Ms. Li Yu Lian, Kelly, an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of the Institute of Chartered Secretaries and Administrators.
- (b) The qualified accountant of the Company is 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.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at Unit 3901A, 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 6 March 2006:

- (a) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 10 of this circular;
- (b) the letter of advice from Menlo Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 11 to 17 of this circular;
- (c) the written consent referred to in the section headed "Expert" in paragraph 7 of this appendix; and
- (d) the Agreement.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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 Goldbond Group Holdings Limited (the “**Company**”) will be held at JW Marriott Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 10:00 a.m. on 6 March 2006 for the purposes of considering and, if thought fit, (with or without amendments) passing the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT**

- (a) the agreement (the “**Agreement**”, a copy of which has been produced to this meeting and marked “A” and initialled by the Chairman of this meeting for the purpose of identification) dated 25 January 2006 entered into between the Company as lender and Goldbond Capital Holdings Limited (being a company of which 20% of its issued share capital is indirectly and beneficially owned by the Company) as borrower in relation to a unsecured revolving loan facility (the “**Facility**”) in the amount of up to HK\$40,000,000, and the transactions contemplated thereunder or incidental to the Agreement, and all actions taken or to be taken by the Company pursuant to the Agreement as described in the circular to the shareholders of the Company dated 17 February 2006 (a copy of which has been produced to this meeting and marked “B” and initialled by the Chairman of this meeting for the purpose of identification) be and are hereby generally and unconditionally approved, ratified and confirmed;
- (b) the fixing of the maximum principal amount to be advanced from time to time by the Company to Goldbond Capital Holdings Limited under the Facility for each of the three financial years ending 31 March 2008 of the Company at HK\$40,000,000 be and is hereby approved; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) any one director of the Company be and is hereby authorised for and on behalf of the Company to do all such acts and things, to sign and execute all such other documents, deeds, instruments and agreements and to take such steps as he may consider necessary, desirable or expedient to give effect to or in connection with the Agreement or any of the transactions contemplated under the Agreement.”

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

Hong Kong, 17 February 2006

Registered office:

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

Notes:

1. A member of the Company entitled to attend and vote at the extraordinary general meeting of the Company may appoint one or more proxies to attend and vote instead of that member. A proxy need not be a member of the Company.
2. To be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon, together with the power of attorney (if any) or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, not less than 24 hours before the time appointed for holding the meeting or any adjourned meeting (as the case may be).
3. The voting on the resolution at the EGM will be conducted by way of a poll.