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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 the transferee or to the bank, stockbroker or other agent through whom the sale or transfer 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)****DISCLOSEABLE AND CONNECTED TRANSACTIONS**

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DEFINITIONS

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

“Allocation Agreement”	the agreement entered into by Wah Link Investments, Bateson, Nanjing International and the Company dated 17 May 2005 in relation to the allocation of the residential units to be purchased by (i) Wah Link Investments and Bateson and (ii) the Company pursuant to (i) the Second Funding Agreement and (ii) the Funding Agreement respectively
“associates”	shall have the same meaning as ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	day(s) on which licensed banks are open for business in Hong Kong (excluding Saturdays and Sundays)
“Company”	Goldbond Group Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Distribution Agreement”	the agreement entered into by Bateson, Wah Link, Sino Dynasty and Ace Intelligent dated 17 May 2005 in relation to distribution of arrangement fee received by Ace Intelligent to each of Bateson, Wah Link and Sino Dynasty
“Facility”	the loan facility of up to RMB148,977,000 (equivalent to approximately HK\$140,544,340)
“Funding Agreement”	the funding agreement dated 17 May 2005 entered into between Nanjing International, the Lending Bank and the Company in relation to, among others, certain undertakings provided by the Company to the Lending Bank and/or Nanjing International
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	10 June 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Lending Bank”	the lending bank of the Facility, which is an independent third party not connected with the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries and/or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated 17 May 2005 entered into between Nanjing International and the Lending Bank in relation to the grant of the Facility by the Lending Bank
“Nanjing Circular”	the circular of the Company dated 24 December 2003 in relation to the acquisition of a 25% equity interest in Nanjing City Plaza by the Group
“Nanjing City Plaza”	南京國際商城建設有限公司 (for identification purpose, in English, 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 (for identification purpose, in English, 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 and 南京國際廣場二期項目 (for identification purpose, in English, Nanjing International Center Phase I Project and Nanjing International Center Phase II Project respectively)
“Percentage Ratios”	the percentage ratios under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Sino Dynasty”	Sino Dynasty Investments Limited, a wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Wah Link Investments”	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 Chief Executive Officer of the Company, and 49% by Mrs. Wong Fang Pik Chun, the spouse of Mr. Wong Yu Lung, Charles
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America

Translation of United States dollars into Hong Kong dollars is based on the exchange rate of US\$1.00 to HK\$7.80 and translation of Renminbi into Hong Kong dollars is based on the exchange rate of HK\$1.00 to RMB1.06.



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. Ko Po Ming
Mr. Lan Ning
Mr. Kee Wah Sze
Mr. Ding Chung Keung, Vincent

Registered and principal 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
Mr. Melvin Jitsumi Shiraki

14 June 2005

To the shareholders of the Company

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTIONS

INTRODUCTION

On 17 May 2005, Nanjing International entered into the Loan Agreement with the Lending Bank in relation to the grant of the Facility, a term loan facility of up to RMB148,977,000 (equivalent to approximately HK\$140,544,340) for the construction of Phase I of the Nanjing Project. It is a condition precedent to the Lending Bank making the Facility available under the Loan Agreement that Nanjing International and the Company shall execute the Funding Agreement by way of security with the Lending Bank for the purpose of meeting the payment of any (i) Cost Overrun (as defined below); and (ii) certain Pre-Completion Expenses (as defined below) in relation to Phase I of the Nanjing Project.

On 17 May 2005, Bateson, Wah Link (a 95%-owned subsidiary of Wah Link Investments and a connected person of the Company), Sino Dynasty and Ace Intelligent entered into the Distribution Agreement in relation to the distribution of an arrangement fee in the sum of US\$675,000 (equivalent to approximately HK\$5,265,000) which is payable by Nanjing International to Ace Intelligent for Ace Intelligent's service in procuring the Facility from the Lending Bank.

LETTER FROM THE BOARD

LOAN AGREEMENT

On 17 May 2005, Nanjing International (as the borrower of the Facility) entered into the Loan Agreement with the Lending Bank (as the lender of the Facility) in relation to the grant of the Facility, a term loan facility of up to RMB148,977,000 (equivalent to approximately HK\$140,544,340) for the construction of Phase I of the Nanjing Project. It is a condition precedent to the Lending Bank making the Facility available under the Loan Agreement that Nanjing International and the Company shall execute the Funding Agreement by way of security with the Lending Bank for the purpose of meeting the payment of any (i) Cost Overrun (as defined below); and (ii) certain Pre-Completion Expenses (as defined below) in relation to Phase I of the Nanjing Project.

The Facility has a maturity of 18 months from the date of the Loan Agreement and carries an annual interest rate equivalent to a 5% mark-up to the People's Bank of China base lending rate (中華人民銀行基準利率) and will be repayable once every three months commencing from the date of drawdown of the Facility. The principal amount of the Facility will be repayable as to RMB49,659,000 by the end of the 12th month from the date of the Loan Agreement, RMB49,659,000 by the end of the 15th month from the date of the Loan Agreement and RMB49,659,000 by the end of the 18th month from the date of the Loan Agreement.

FUNDING AGREEMENT

On 17 May 2005, the Company (as the covenantor to the Facility) entered into the Funding Agreement with Nanjing International (as the borrower of the Facility) and the Lending Bank (as the lender of the Facility), principal terms of which are as follows:

Funding undertakings

Pursuant to the Funding Agreement, the Company undertakes with the Lending Bank that it will be responsible for ensuring, meeting the provisions of the Funding Agreement, that 16.7% of funds required to meet any (i) construction cost overrun as verified by 監理公司 (independent professional auditors appointed by Nanjing International in the PRC) from time to time and as requested by the Lending Bank or any cost which exceeds the budgeted cost of Phase I of the Nanjing Project ("**Cost Overrun**"); and (ii) all outgoings and sums (other than construction costs) which are paid or incurred by Nanjing International prior to the date of the Loan Agreement cease to become effective or which (in the opinion of the Lending Bank) are payable or need to be incurred by Nanjing International in order to ensure completion of Phase I of the Nanjing Project and the conduct of all necessary filing procedure in respect of completion of Phase I of the Nanjing Project and shall include all loan servicing costs payable by Nanjing International ("**Pre-Completion Expenses**") are made available to Nanjing International so that Nanjing International may be able to meet the same and so that Phase I of the Nanjing Project can be completed.

Buy-back undertakings

The Company also undertakes with the Lending Bank and Nanjing International that, in the event that the monies standing to the credit of Nanjing International's RMB charged account 10 Business Days prior to the next repayment date (the "**Relevant Amount**") is less than the amount which ought to be repaid by Nanjing International to the Lending Bank under the Loan Agreement, the Company will forthwith purchase such number of residential units in the North Tower of Phase I of the Nanjing Project at RMB5,000 per square metre (such that the total purchase price shall cover 16.7% of the difference between the repayment amount and the Relevant Amount) and to deposit such purchase monies in RMB into such account(s) designated by the Lending Bank no later than three Business Days prior to such next repayment date; or if so required by the Lending Bank, forthwith arrange a refinancing of the Facility on terms and conditions satisfactory to the Lending Bank to the effect that Nanjing International shall have sufficient monies to repay 16.7% of all outstanding sum in connection with the Facility within seven Business Days after the Lending Bank has made such request. Based on the Facility of up to RMB148,977,000 (equivalent to approximately HK\$140,544,340), the exposure to the Company under such buy-back undertakings is approximately RMB24,879,000 (equivalent to approximately HK\$23,471,000), which will be satisfied by internal resources of the Group.

The Company further undertakes with the Lending Bank and Nanjing International that, in the event that there arises any Cost Overrun and/or Pre-Completion Expenses or there happens any event of default, the Company shall, upon the Lending Bank's demand, purchase such number of residential units in the North Tower of Phase I of the Nanjing Project at RMB5,000 per square metre such that the total purchase price shall cover 16.7% of the Facility and to deposit such purchase monies in RMB into such account(s) designated by the Lending Bank within three Business Days from the date of the Lending Bank's demand; or if so required by the Lending Bank, forthwith arrange a refinancing of the Facility on terms and conditions satisfactory to the Lending Bank to the effect that Nanjing International shall have sufficient monies to repay 16.7% of all outstanding sum in connection with the Facility within seven Business Days after the Lending Bank has made such request.

If the Company neglects, fails or refuses to perform the abovementioned undertakings pursuant to the Funding Agreement, Nanjing International may, after obtaining prior written consent of the Lending Bank, borrow funds from another source. In the event that Nanjing International borrows such funds from the Lending Bank, the Company shall be deemed to have guaranteed repayment of all amounts which the Lending Bank advanced to Nanjing International in substitution for those amount the Company has covenanted to repay (but failed to pay) under funding undertakings, together with interest thereon. In addition, the Lending Bank may sue the Company for breach of undertaking. The Company and/or the Group are/is not party to the Second Funding Agreement (as defined below) and thus are/is not liable for breach of undertaking by Bateson and Wah Link Investments under the Second Funding Agreement (as defined below).

LETTER FROM THE BOARD

For information purpose, Bateson Investment Limited (“**Bateson**”) and Wah Link Investments (as the covenantors to the Facility) also entered into a similar funding agreement (the “**Second Funding Agreement**”) with Nanjing International (as the borrower of the Facility) and the Lending Bank (as the lender of the Facility) pursuant to which Bateson and Wah Link Investments jointly and severally undertake that:

1. Bateson and Wah Link Investments will be responsible for ensuring, meeting the provisions of the Funding Agreement, that 100% of funds required to meet any (i) Cost Overrun; and (ii) Pre-Completion Expenses are made available to Nanjing International so that Nanjing International may be able to meet the same and so that Phase I of the Nanjing Project can be completed.
2. In the event that the monies standing to the Relevant Amount is less than the amount which ought to be repaid by Nanjing International to the Lending Bank under the Loan Agreement, Bateson and Wah Link Investments will forthwith purchase such number of residential units in the North Tower of Phase I of the Nanjing Project at RMB5,000 per square metre (such that the total purchase price shall cover 100% of the difference between the repayment amount and the Relevant Amount) and to deposit such purchase monies in RMB into such account(s) designated by the Lending Bank no later than three Business Days prior to such next repayment date; or if so required by the Lending Bank, forthwith arrange a refinancing of the Facility on terms and conditions satisfactory to the Lending Bank to the effect that Nanjing International shall have sufficient monies to repay 100% of the outstanding sum in connection with the Facility within seven Business Days after the Lending Bank has made such request.
3. In the event that there arises any Cost Overrun and/or Pre-Completion Expenses or there happens any event of default, Bateson and Wah Link Investments shall, upon the Lending Bank’s demand, purchase such number of residential units in the North Tower of Phase I of the Nanjing Project at RMB5,000 per square metre such that the total purchase price shall cover 100% of the Facility and to deposit such purchase monies in RMB into such account(s) designated by the Lending Bank within three Business Days from the date of the Lending Bank’s demand; or if so required by the Lending Bank, forthwith arrange a refinancing of the Facility on terms and conditions satisfactory to the Lending Bank to the effect that Nanjing International shall have sufficient monies to repay 100% of all outstanding sum in connection with the Facility within seven Business Days after the Lending Bank has made such request.

For the avoidance of doubt, the Lending Bank has the right to request the Company, Bateson and/or Wah Link Investments to fulfil their respective obligations under the Funding Agreement and the Second Funding Agreement to repay the Lending Bank an amount equivalent to 100% of such amount of the Facility under the events as mentioned above; but in any event, the Company is responsible for up to 16.7% of such sum. In addition, the Directors confirm that the Group will not be responsible for the respective funding of Bateson or Wah Link Investments.

LETTER FROM THE BOARD

DISTRIBUTION AGREEMENT

On 17 May 2005, the shareholders of Nanjing City Plaza, namely Bateson, Wah Link Real Estate Investments Limited (“**Wah Link**”) (a 95%-owned subsidiary of Wah Link Investments) and Sino Dynasty, entered into the Distribution Agreement with Ace Intelligent Consultants Limited (“**Ace Intelligent**”), a company owned as to 50%, 25% and 25% by Bateson, Wah Link and Sino Dynasty respectively in relation to the distribution of an arrangement fee in the sum of US\$675,000 (equivalent to approximately HK\$5,265,000), which is determined after arm’s length negotiation between the parties to the Distribution Agreement and is no less favourable than the market rate for the arrangement of similar loan facility, payable by Nanjing International to Ace Intelligent for Ace Intelligent’s service in procuring the Facility from the Lending Bank. Pursuant to the Distribution Agreement, the parties agreed to distribute such sum received by Ace Intelligent as to 41.65%, 41.65% and 16.70% to Bateson, Wah Link and Sino Dynasty respectively.

The distribution of the arrangement fee to Sino Dynasty is based on its provision of undertaking under the Funding Agreement which is up to 16.7% of all outstanding sum in connection with the Facility. On the other hand, the distribution of the arrangement fee to Bateson and Wah Link is based on Bateson and Wah Link Investments’ provisions of undertaking under the Second Funding Agreement, which is on a joint and several basis. As a result, the remaining 83.3% of the arrangement fee will be evenly distributed among Bateson and Wah Link.

ALLOCATION AGREEMENT

On 17 May 2005, Wah Link Investments, Bateson, Nanjing International and the Company entered into the Allocation Agreement in relation to the allocation of the residential units to be purchased by (i) Wah Link Investments and Bateson and (ii) the Company pursuant to (i) the Second Funding Agreement and (ii) the Funding Agreement respectively. Pursuant to the Allocation Agreement, Nanjing International agrees that shall it request (i) Wah Link Investments and Bateson and (ii) the Company to purchase such residential units pursuant to (i) the Second Funding Agreement and (ii) the Funding Agreement respectively, (1) it shall sell the relevant residential units to each of them at RMB5,000 per square metre; and (2) it shall allocate the available residential units for sale among them, or two of them as the case may be, by way of ballot to be conducted at the time of proposed sale in the event that it proposes to sell such residential units to more than one of them at the same time. Wah Link Investments and Bateson agree that the Company shall not be obliged to purchase any more residential unit if purchase of the same will result in it being responsible for more than 16.7% of all outstanding sum in relation to the Facility.

IMPLICATION OF THE LISTING RULES

The entering into the Funding Agreement constitutes financial assistance provided by the Company to Nanjing International. The maximum exposure of such financial assistance is 16.7% of the outstanding sum in connection with the Facility, which exceeds 8% of the relevant Percentage Ratios and therefore is subject to disclosure requirement pursuant to Rule 13.16 of the Listing Rules.

As at the Latest Practicable Date, Nanjing International has utilised the Facility in full.

In addition, since the relevant figures for the entering into the Funding Agreement under the Percentage Ratios (other than the profits ratio) exceed 5%, the entering into the Funding Agreement constitutes a discloseable transaction of the Company under the Listing Rules.

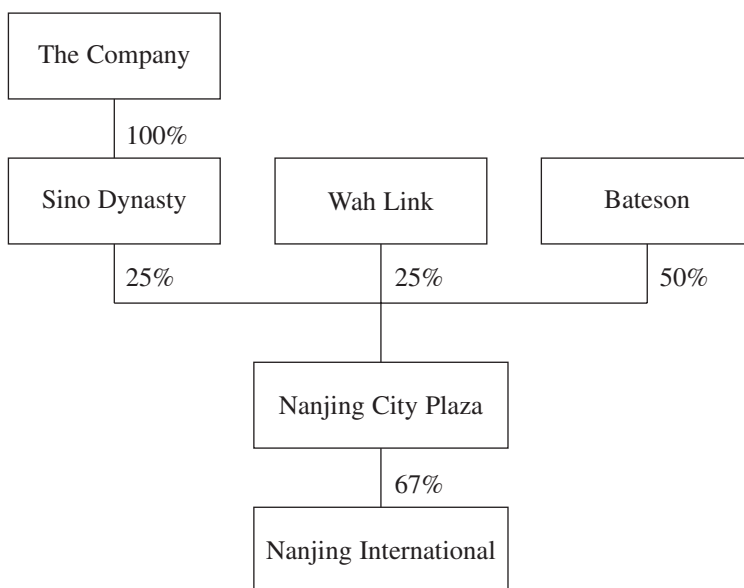
Since Nanjing International is a company in which both the Company and Wah Link, a connected person of the Company, are shareholders and Wah Link is entitled to control or exercise more than 10% of the voting power in its general meeting, the entering into the Funding Agreement and the provision of the abovementioned several and proportional undertakings under the Funding Agreement by the Company constitutes a connected transaction of the Company. However, since the entering into the Funding Agreement is a financial assistance provided by the Company which is on normal commercial terms (or better to the Company) but not in the ordinary and usual course of business of the Company and is in proportion to the Company's equity interest in Nanjing International, such connected transaction is exempted from reporting, announcement and independent shareholders' approval requirements under Rule 14A.65(3)(b)(i) of the Listing Rules.

Since Wah Link is a connected person of the Company, the entering into the Distribution Agreement constitutes a connected transaction of the Company but is exempt from independent shareholders' approval under Rule 14A.32(2) of the Listing Rules as it is on normal commercial terms and the applicable Percentage Ratio (other than the profits ratio) is more than 2.5% but less than 25% and the total consideration is less than HK\$10,000,000.

LETTER FROM THE BOARD

INFORMATION ON NANJING CITY PLAZA

The Company through its subsidiary, Sino Dynasty, is interested in 25% equity interest of Nanjing City Plaza, which owns approximately 67% equity interest in Nanjing International, which is mainly engaged in the development of the Nanjing Project, a commercial/residential property project in Nanjing, the PRC. Therefore, the effective equity interest of the Company in Nanjing International is approximately 16.7%. In summary, the shareholding of Nanjing City Plaza group of companies is as follows:



The Company through Sino Dynasty effectively owns approximately 16.7% shareholding in Nanjing International. Wah Link, a 95%-owned subsidiary of Wah Link Investments, is beneficially owned as to 51% by a family member of Mr. Wong Yu Lung, Charles, a Director and Chief Executive Officer of the Company, and 49% by his spouse, Mrs. Wong Fang Pik Chun and thus an associate of Mr. Wong and a connected person of the Company. Bateson (formerly known as Y&W Holdings Limited) is an independent third party not connected with the directors, chief executive and substantial shareholders of the Company or Wah Link or any of their respective subsidiaries and/or their respective associates. In addition, shareholders of the remaining 33% interest in Nanjing International are independent third parties not connected with the directors, chief executive and substantial shareholders of the Company or Wah Link or Bateson or any of their respective subsidiaries and/or their respective associates.

LETTER FROM THE BOARD

The Nanjing Project is planned to be developed in two phases. Phase I of the Nanjing Project is under construction and is expected to be completed in 2006, which will comprise a shopping mall, serviced apartments, hotel and office premises, with a total gross floor area of approximately 227,000 square metres. Phase II is at planning stage with a total gross floor area of approximately 218,000 square metres.

REASONS FOR AND BENEFITS OF THE FUNDING AGREEMENT

The Group is principally engaged in, among others, property investment and investments in finance industries in Hong Kong and the PRC. As set out in the interim report of the Company for the six months ended 30 September 2004, the Group takes every opportunity to expand its strategic business developments in property and finance industries with proactive approach.

As mentioned in the Nanjing Circular, Phase I of the Nanjing Project is under construction and is expected to be completed in 2006 and Phase II of the Nanjing Project is at its planning stage. The Facility was obtained in facilitating the construction of Phase I of the Nanjing Project. As one of the shareholders of Nanjing City Plaza, the Company entered into the Funding Agreement (including the provisions of such funding undertakings and buy-back undertakings under the Funding Agreement) in order to provide security for the Facility up to such percentage equivalent to its proportional interest in Nanjing International, to facilitate the construction of Phase I of the Nanjing Project in which the Company has a 16.7% indirect interest. According to the research conducted by the Company, the prevailing market price of premium residential units of similar quality to those of the Nanjing Project in the nearby areas, on average, is more than RMB10,000 per square metre. In view of the above, the Directors believe that the unit price offered by Nanjing International is fair and reasonable and will be no less favourable than such unit price to be offered to independent third parties. In addition, as the Group can acquire residential units at discount to the prevailing market price under the Funding Agreement (in events of default mentioned above), which the Directors consider that such arrangement to be beneficial for the Group.

Based on the above, the Directors (including the independent non-executive Directors) consider that the entering into the Funding Agreement, the Allocation Agreement and the Distribution Agreement were entered into on normal commercial terms (or better) and the terms thereof are fair and reasonable and in the interest of the Company and the shareholders of the Company as a whole.

FINANCIAL EFFECTS OF THE FUNDING AGREEMENT

The entering into the Funding Agreement will not have any immediate effects on the earnings and assets and liabilities of the Group.

However, the Company will be responsible for up to the amount of 16.7% of the difference between the repayment amount and the Relevant Amount and/or 16.7% of the amount of Cost Overrun and/or Pre-Completion Expenses in the event of default as mentioned above, in which case, such amount will be funded by internal resources and/or banking facility of the Group.

LETTER FROM THE BOARD

GENERAL

The Group is principally engaged in, among others, property investment and investments in finance industries in Hong Kong and the PRC. As set out in the interim report of the Company for the six months ended 30 September 2004, the Group takes every opportunity to expand its strategic business developments in property and finance industries with proactive approach.

Since the relevant figures for the entering into the Funding Agreement under the Percentage Ratios exceed 5%, the entering into the Funding Agreement constitutes a discloseable transaction for the Company under the Listing Rules. Since Nanjing International is a company in which both the Company and Wah Link, a connected person of the Company, are shareholders and Wah Link is entitled to control or exercise more than 10% of the voting power in its general meeting, the entering into the Funding Agreement and the provision of the several and proportional undertakings under the Funding Agreement by the Company constitutes a connected transaction of the Company which is exempted from reporting, announcement and independent shareholders' approval requirements under Rule 14A.65(3)(b)(i) of the Listing Rules. The entering into the Distribution Agreement constitutes a connected transaction of the Company which is exempt from the independent shareholders' approval requirements under Rule 14A.32(2) of the Listing Rules.

ADDITIONAL INFORMATION

Your attention is drawn to the addition 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

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) Long positions in Shares

Name of Director	Nature of interest	Number of Shares	Approximate shareholding percentage
Mr. Wong Yu Lung, Charles (“Mr. Wong”)	Corporate	497,232,000 (<i>Note 1</i>)	29.91%
Mr. Kee Wah Sze (“Mr. Kee”)	Corporate	405,889,643 (<i>Note 2</i>)	24.42%
Mr. Ko Po Ming (“Mr. Ko”)	Corporate	65,881,800 (<i>Note 3</i>)	3.96%
Mr. Ding Chung Keung, Vincent (“Mr. Ding”)	Personal	2,600,000	0.16%
Mr. Melvin Jitsumi 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.
3. These Shares were held by Sparkle Power Technology Limited, which is owned as to 50% by Mr. Ko and as to 50% by an individual who was a Director from January 2003 to May 2005. Mr. Ko was deemed to be interested in all these Shares by virtue of his shareholding interests in Sparkle Power Technology Limited.

(ii) *Interests in underlying Shares pursuant to convertible notes*

Name of Director	Long position/short position	Nature of interest	Underlying Shares pursuant to convertible notes	Date of issue of convertible note	Exercise 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	Long position	Corporate	411,764,705 (Note 1)	5 August 2004	HK\$0.170	5 August 2004 to 3 August 2007	17.85%
Mr. Kee	Long position	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	Exercise 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. Ko	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

(iv) Interests in shares in 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%
Mr. Ko	Corporate	27,187,500	18.13%

B. Substantial shareholders of the Company

As at the Latest Practicable Date, save as disclosed below, so far as known to any Director or 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) Long positions 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	Long position/short position	Underlying Shares pursuant to convertible notes issued/ to be issued	Date of issue of convertible note	Exercise 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	Long position	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	Long position	411,764,705 (Note 1)	5 August 2004	HK\$0.170	5 August 2004 to 3 August 2007	17.85%
Mrs. Wong	Long position	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	Long position	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	Long position	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	Long position	232,558,140 (Note 2)	31 December 2004	HK\$0.129	31 December 2004 to 3 August 2007	10.08%
Grace Honour Limited	Long position	232,558,140 (Note 2)	31 December 2004	HK\$0.129	31 December 2004 to 3 August 2007	10.08%
Mrs. Kee	Long position	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 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.
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). 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.
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	Nature of interest	No. of share options granted	Date of grant	Exercise 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.

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
	Goldbond Capital Investment Holdings Limited	Director
	Golden Cloud Holdings Group Limited	Director
	Legend (Asia Pacific) Investment Limited	Director

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 are 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. GENERAL

- (a) The secretary of the Company is Mr. Ding, an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.
- (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 and principal 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.