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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: 00172)

PRELIMINARY ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2010

The board of directors (the “Board”) of Goldbond Group Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2010 together with comparative figures for the corresponding year in 2009.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2010

	Notes	<u>2010</u> <i>HK\$'000</i>	<u>2009</u> <i>HK\$'000</i>
Continuing operations			
Turnover	3	306,097	351,128
Other income		13,725	29,674
Change in fair value of derivative component of convertible note		1,209	15,801
Staff costs		(65,159)	(62,519)
Other operating expenses		(78,222)	(108,329)
Share of profits of an associate		9,165	7,910
Finance costs	5	(20,664)	(21,963)
Profit before taxation	6	166,151	211,702
Taxation	7	(32,313)	(45,142)
Profit for the year from continuing operations		133,838	166,560
Discontinued operation			
Loss for the year from discontinued operation	6 & 8	–	(169)
Profit for the year		<u>133,838</u>	<u>166,391</u>

	<i>Notes</i>	<u>2010</u> <i>HK\$'000</i>	<u>2009</u> <i>HK\$'000</i>
Other comprehensive income			
Exchange differences arising on translation		–	14,195
Total comprehensive income for the year		<u>133,838</u>	<u>180,586</u>
Profit for the year attributable to:			
Owners of the Company		118,602	149,404
Minority interests		<u>15,236</u>	<u>16,987</u>
		<u>133,838</u>	<u>166,391</u>
Total comprehensive income attributable to:			
Owners of the Company		118,602	161,498
Minority interests		<u>15,236</u>	<u>19,088</u>
		<u>133,838</u>	<u>180,586</u>
Earnings per share	9		
From continuing and discontinued operations			
– Basic		4.38 cents	5.68 cents
– Diluted		<u>4.35 cents</u>	<u>5.18 cents</u>
From continuing operations			
– Basic		4.38 cents	5.68 cents
– Diluted		<u>4.35 cents</u>	<u>5.18 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2010

	<i>Notes</i>	<u>2010</u> <i>HK\$'000</i>	<u>2009</u> <i>HK\$'000</i>
Non-current assets			
Plant and equipment		7,162	9,904
Deposit		–	11,415
Interest in an associate		55,890	63,149
Goodwill		103,686	103,686
Intangible assets		1,665	2,090
Loan receivables	<i>10</i>	–	167,989
Finance lease receivables		114,882	10,243
Club debentures		<u>16,545</u>	<u>16,545</u>
		<u>299,830</u>	<u>385,021</u>
Current assets			
Properties held for sale		9,000	9,000
Consideration receivable from disposal of associates		–	20,437
Loan receivables	<i>10</i>	161,220	–
Account receivables and advances provided to customers	<i>11</i>	928,201	692,098
Finance lease receivables		55,424	8,235
Prepayments and deposits		8,111	9,533
Security deposits		172,849	105,302
Short term bank deposits			
– with original maturity within three months		172,638	157,921
– with original maturity more than three months		81,356	84,769
Bank balances and cash		<u>198,559</u>	<u>337,162</u>
		<u>1,787,358</u>	<u>1,424,457</u>
Current liabilities			
Amount due to an associate		3,046	17,188
Other payables and accrued charges		36,702	51,615
Deposits from loan guarantee customers		133,017	92,680
Deferred income		29,027	22,737
Taxation		25,876	18,995
Bank borrowings – amount due within one year		52,809	122,472
Liabilities arising from loan guarantee contracts	<i>12</i>	<u>10,180</u>	<u>6,910</u>
		<u>290,657</u>	<u>332,597</u>
Net current assets		<u>1,496,701</u>	<u>1,091,860</u>
Total assets less current liabilities		<u><u>1,796,531</u></u>	<u><u>1,476,881</u></u>

	<u>2010</u>	<u>2009</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Capital and reserves		
Share capital	274,456	266,956
Reserves	<u>1,090,838</u>	<u>996,548</u>
Equity attributable to owners of the Company	<u>1,365,294</u>	1,263,504
Minority interests	<u>121,482</u>	<u>103,998</u>
Total equity	<u>1,486,776</u>	<u>1,367,502</u>
Non-current liabilities		
Deposits from finance lease customers	7,780	5,245
Deferred income	21,274	14,110
Bank borrowings – amount due after one year	261,798	–
Convertible notes	–	72,532
Redeemable convertible preference shares	2,087	1,815
Deferred taxation	<u>16,816</u>	<u>15,677</u>
	<u>309,755</u>	109,379
	<u><u>1,796,531</u></u>	<u><u>1,476,881</u></u>

1. BASIS OF PREPARATION

The financial results have been prepared in accordance with Hong Kong Financial Reporting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRS”s), Hong Kong Accounting Standards (“HKAS”s) and Interpretations (“INT”s) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and the Hong Kong Companies Ordinance. The financial results also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

Scope of work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2010 as set out in this preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA.

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HK(IFRIC) – INT 9 & HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) – INT 13	Customer loyalty programmes
HK(IFRIC) – INT 15	Agreements for the construction of real estate
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation
HK(IFRIC) – INT 18	Transfers of assets from customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

Improving Disclosures about Financial Instruments (Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk.

Except as described above, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2009 ²
HKFRSs (Amendments)	Improvements to HKFRSs 2010 ³
HKAS 24 (Revised)	Related Party Disclosures ⁷
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 32 (Amendment)	Classification of Rights Issues ⁵
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters ⁴
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ⁶
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions ⁴
HKFRS 3 (Revised)	Business Combinations ¹
HKFRS 9	Financial Instruments ⁸
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ⁷
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁶

¹ Effective for annual periods beginning on or after 1 July 2009

² Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate

³ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate

⁴ Effective for annual periods beginning on or after 1 January 2010

⁵ Effective for annual periods beginning on or after 1 February 2010

⁶ Effective for annual periods beginning on or after 1 July 2010

⁷ Effective for annual periods beginning on or after 1 January 2011

⁸ Effective for annual periods beginning on or after 1 January 2013

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. In addition, under HKFRS 9, changes in fair value of equity investments are generally recognised in other comprehensive income, with only dividend income recognised in profit or loss. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company anticipate that the application of the other new and revised Standards, Amendments and Interpretations will have no material impact on the consolidated financial statements.

3. TURNOVER

Turnover represents revenue from the provision of financing service, loan guarantee service and finance lease service in the People's Republic of China (the "PRC") other than Hong Kong.

	<u>2010</u>	<u>2009</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Continuing operations		
Financing service income	243,667	245,420
Loan guarantee service income	51,329	104,561
Finance lease service income	<u>11,101</u>	<u>1,147</u>
	<u>306,097</u>	<u>351,128</u>

4. SEGMENT INFORMATION

The Group early adopted HKFRS 8 in advance of its effective date, with effect from 1 April 2008. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group's operating and reportable segments are as follows:

- (a) Provision of financing service including bridge financing, project financing and consultancy service;
- (b) Provision of loan guarantee service for guaranteeing loans for consumable purchase, educational fund, residential renovation, mobile phones, motor vehicles, real estate property, etc.; and
- (c) Provision of finance lease service.

Information regarding these segments is presented below.

An analysis of the Group's revenue and results by operating segments is as follows:

Year ended 31 March 2010

	Continuing operations			Discontinued operation	Consolidated
	Financing service	Loan guarantee service	Finance lease service	Property leasing and development	
	HK\$'000 (Note)	HK\$'000	HK\$'000 (Note)	HK\$'000	HK\$'000
Revenue from external customers	<u>243,667</u>	<u>51,329</u>	<u>11,101</u>	<u>306,097</u>	<u>306,097</u>
Segment results	<u>175,736</u>	<u>16,643</u>	<u>3,514</u>	195,893	195,893
Investment income				3,220	3,220
Change in fair value of derivative component of convertible note				1,209	1,209
Unallocated corporate income and expenses:					
– other administrative income and expenses				(30,602)	(30,602)
– exchange loss				(147)	(147)
Finance costs				(12,587)	(12,587)
Share of profits of an associate				9,165	9,165
Profit before taxation				166,151	166,151
Taxation				(32,313)	(32,313)
Profit for the year				<u>133,838</u>	<u>133,838</u>

Year ended 31 March 2009

	Continuing operations			Discontinued operation	Consolidated
	Financing service	Loan guarantee service	Finance lease service	Property leasing and development	
	HK\$'000 (Note)	HK\$'000	HK\$'000 (Note)	HK\$'000	HK\$'000
Revenue from external customers	<u>245,420</u>	<u>104,561</u>	<u>1,147</u>	<u>351,128</u>	<u>351,128</u>
Segment results	<u>147,190</u>	<u>72,041</u>	<u>877</u>	220,108	220,108
Investment income				9,193	9,194
Change in fair value of derivative component of convertible note				15,801	15,801
Unallocated corporate income and expenses:					
– other administrative income and expenses				(31,980)	(32,151)
– exchange gain				5,133	5,133
– reversal of allowance for consideration receivable from disposal of associates				7,500	7,500
Finance costs				(21,963)	(21,963)
Share of profits of an associate				7,910	7,910
Profit (loss) before taxation				211,702	211,532
Taxation				(45,142)	(45,141)
Profit (loss) for the year				<u>166,560</u>	<u>166,391</u>

All of the segment revenue reported above is from external customers.

Segment results represent the profit earned by each segment without allocation of central administration costs, investment income, change in fair value of derivative component of convertible note, finance costs and share of profits of an associate. This is the measure reported to the Group's Chief Executive Officer for the purpose of resource allocation and assessment of segment performance.

Note: Included in segment results are finance costs of HK\$8,077,000 (2009: Nil) attributable to the financing service and the finance lease service business.

An analysis of the Group's other material amounts included in the measure of segment profit or loss and segment assets by operating segments is as follows:

Year ended 31 March 2010

	Continuing operations				Total	Discontinued operation	Consolidated
	Financing service	Loan guarantee service	Finance lease service	Unallocated		Property leasing and development	
		HK\$'000				HK\$'000	
Expenditure for reportable segment non-current assets	299	1,316	18	213	1,846	-	1,846
Amortisation of intangible assets	425	-	-	-	425	-	425
Depreciation of plant and equipment	463	2,952	88	1,042	4,545	-	4,545
Allowance for bad and doubtful debts, net	3,380	10,364	-	-	13,744	-	13,744

Year ended 31 March 2009

	Continuing operations				Total	Discontinued operation	Consolidated
	Financing service	Loan guarantee service	Finance lease service	Unallocated		Property leasing and development	
		HK\$'000				HK\$'000	
Expenditure for reportable segment non-current assets	724	2,155	258	1,296	4,433	-	4,433
Amortisation of intangible assets	424	-	-	-	424	-	424
Depreciation of plant and equipment	203	3,133	48	735	4,119	2	4,121
Allowance for bad and doubtful debts, net	30,366	4,654	-	-	35,020	-	35,020

5. FINANCE COSTS

	<u>2010</u>	<u>2009</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on borrowings wholly repayable within five years	16,905	12,637
Interest on convertible notes	3,487	9,089
Interest on redeemable convertible preference shares	272	237
	<u>20,664</u>	<u>21,963</u>

6. PROFIT BEFORE TAXATION

	<u>Continuing operations</u>		<u>Discontinued operation</u>		<u>Consolidated</u>	
	<u>2010</u>	2009	<u>2010</u>	2009	<u>2010</u>	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before taxation has been arrived at after charging:						
Staff costs	47,630	45,713	–	–	47,630	45,713
Staff's retirement benefits scheme contributions	2,338	2,177	–	–	2,338	2,177
Equity-settled share based payment expenses	15,191	14,629	–	–	15,191	14,629
Total staff costs (including directors' remuneration)	65,159	62,519	–	–	65,159	62,519
Allowance for bad and doubtful debts, net	13,744	35,020	–	–	13,744	35,020
Amortisation of intangible assets (included in other operating expenses)	425	424	–	–	425	424
Auditor's remuneration	2,687	2,651	–	20	2,687	2,671
Depreciation of plant and equipment	4,545	4,119	–	2	4,545	4,121
Loss on disposal of plant and equipment	6	8	–	–	6	8
Operating lease rentals in respect of properties	11,246	11,605	–	–	11,246	11,605
and after crediting:						
Net exchange gain	1,019	5,133	–	–	1,019	5,133
Government subsidy	4,918	–	–	–	4,918	–
Interest income	3,220	9,193	–	1	3,220	9,194
Waiver of debts of long outstanding other payables	3,555	–	–	–	3,555	–
Management fee income received from an associate	13,911	7,329	–	–	13,911	7,329
Reversal of allowance for consideration receivable from disposal of associates	–	7,500	–	–	–	7,500
	<u>–</u>	<u>7,500</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>7,500</u>

7. TAXATION

	Continuing operations		Discontinued operation		Consolidated	
	2010	2009	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The charge (credit) comprises:						
Current tax						
Hong Kong Profits Tax						
– Provision for the current year	–	172	–	–	–	172
– Overprovision in prior years	–	–	–	(1)	–	(1)
PRC Enterprise Income Tax	31,174	29,293	–	–	31,174	29,293
	31,174	29,465	–	(1)	31,174	29,464
Deferred taxation	1,139	15,677	–	–	1,139	15,677
	32,313	45,142	–	(1)	32,313	45,141

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 and reduced corporate profit tax rate from 17.5% to 16.5% from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

8. DISCONTINUED OPERATION

In February 2007, the Group entered into sale and purchase agreements with an independent third party to dispose of the investment properties (the “Transactions”). The Transactions were completed in May 2007. The details of the Transactions are disclosed in the circular dated 28 March 2007 issued by the Company.

According to the sale and purchase agreements of the Transactions, upon the completion of the Transactions, Apex Honour Limited procured that Perfect Manor Limited (as licensee) (the “Licensee”), the Company (as guarantor) and the purchaser (as licensor) (the “Licensor”) to enter into the licence agreement (“Licence Agreement”), as annexed to the sale and purchase agreements, pursuant to which the Licensor will lease to and the Licensee will lease certain areas of the exterior wall (the “Licensed Area”) from the Licensor. Apex Honour Limited and Perfect Manor Limited are wholly owned subsidiaries of the Company.

Pursuant to the Licence Agreement, the Licensee will perform its duty under the Licence Agreement to install and maintain new signs and signage on the Licensed Area for advertising purpose in such format and structure to the satisfaction of the purchaser and obtain all necessary approvals from relevant regulatory authorities.

The above duty was fulfilled and the Licence Agreement was terminated in November 2008. The disposal of the exterior walls was completed.

As a result of the above Transactions, the property leasing and development business is classified as a discontinued operation.

The loss for the year from the discontinued operation is analysed as follows:

	<u>2010</u>	<u>2009</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Direct outgoings	–	(24)
Other income	–	141
Other operating expenses	–	(287)
Loss before taxation	–	(170)
Taxation	–	1
Loss for the year	<u>–</u>	<u>(169)</u>

During the year ended 31 March 2009, the property leasing and development business utilised HK\$170,000 (2010: Nil) of the Group's net operating cash flows.

9. EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of basic and diluted earnings per share attributable to the ordinary owners of the Company is based on the following data:

	<u>2010</u>	<u>2009</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Earnings:		
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	118,602	149,404
Effect of dilutive potential ordinary shares:		
Change in fair value of derivative component of convertible note	–	(15,801)
Interest on convertible notes	–	9,089
Earnings for the purpose of diluted earnings per share	<u>118,602</u>	<u>142,692</u>
Number of shares:	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,705,111	2,631,025
Effect of dilutive potential ordinary shares:		
Share options	19,892	14,723
Convertible notes	–	110,479
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>2,725,003</u>	<u>2,756,227</u>

The calculation of diluted earnings per share for the year ended 31 March 2010 did not include the effect of the conversion of the convertible notes since the assumed conversion of the Company's outstanding convertible notes would result in an increase in earnings per share.

From continuing operations

The calculation of basic and diluted earnings per share from continuing operations attributable to the ordinary owners of the Company is based on the following data:

	<u>2010</u>	<u>2009</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Earnings:		
Profit for the year attributable to owners of the Company	118,602	149,404
Add: Loss for the year from discontinued operation	<u>–</u>	<u>169</u>
Earnings for the purpose of basic earnings per share from continuing operations	118,602	149,573
Effect of dilutive potential ordinary shares:		
Change in fair value of derivative component of convertible note	–	(15,801)
Interest on convertible notes	<u>–</u>	<u>9,089</u>
Earnings for the purpose of diluted earnings per share from continuing operations	<u>118,602</u>	<u>142,861</u>

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

The calculation of diluted earnings per share for the year ended 31 March 2010 did not include the effect of the conversion of the convertible notes since the assumed conversion of the Company's outstanding convertible notes would result in an increase in earnings per share.

From discontinued operation

Basic loss per share from discontinued operation in 2009 was HK0.0064 cents, based on the loss for the year from the discontinued operation of HK\$169,000 and denominator detailed above. The diluted loss per share in 2009 was HK0.0061 cents, which is anti-dilutive.

10. LOAN RECEIVABLES

	<u>2010</u>	<u>2009</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loan receivables	<u>161,220</u>	<u>167,989</u>
Analysed for reporting purposes as:		
Current assets	161,220	–
Non-current assets	<u>–</u>	<u>167,989</u>
	<u>161,220</u>	<u>167,989</u>

On 6 September 2007, Famous Apex Limited (“Famous Apex”), a wholly owned subsidiary of the Company, entered into loan agreements to provide financing of RMB100,000,000 to 珠海市保利三好有限公司 (“Poly Sanhao”) (the “First Loan”) and RMB15,000,000 to Worldpro International Investment Limited (“Worldpro”) (the “Second Loan”) for financing the development of properties in the PRC. These loans were disbursed to the borrowers in January 2008 and will be repayable in full in January 2011. Poly Sanhao and Worldpro are independent third parties of the Group.

The First Loan is interest bearing at 10% per annum and is secured by the following:

- (a) a mortgage of 85% equity interest in 珠海市中廣置業有限公司 (“China-King”) as owned by Poly Sanhao;
- (b) a mortgage of the 51% equity interest in Poly Sanhao owned by Worldpro; and
- (c) a personal guarantee by the beneficial owner (“Mr. Wu”) of the entire equity interest in 珠海市三好房地產開發有限公司, which holds a 40% equity interest in Poly Sanhao, in favour of Famous Apex.

The Second Loan is interest bearing at 40% per annum and is secured by the following:

- (a) a first fixed and floating charge on all assets including, among others, any land and properties, intellectual property rights, receivables and securities legally and/or beneficially owned by Worldpro;
- (b) a mortgage of the entire issued share capital of Worldpro and assignment and subordination of all loans owing from Worldpro to the beneficial owner of the entire equity interest in Worldpro (“Mr. Chan”);
- (c) Mr. Chan’s personal guarantee in favour of Famous Apex; and
- (d) Mr. Wu’s personal guarantee in favour of Famous Apex.

On 2 January 2009, Worldpro, Mr. Chan and Mr. Wu executed a supplemental deed of undertaking (“Supplemental Deed”) in favour of Famous Apex and Birdsong Management Limited (“Birdsong”, another wholly owned subsidiary of the Company). Under the Supplemental Deed, Famous Apex granted China-King the consent to charge or mortgage its property for the purpose of obtaining finance. The Group would receive a sum of RMB28,000,000 for this arrangement. During the year ended 31 March 2009, the Group received RMB500,000 relating to the Supplemental Deed. The remaining balance (“remaining balance”) will be due upon the settlement of the loans.

On 29 June 2009, a revised Supplemental Deed (“Revised Deed”) was signed by Mr. Wu in favour of Famous Apex. Under the Revised Deed, the remaining balance has been revised from RMB27,500,000 to RMB15,000,000 and will be settled by three instalments of RMB5,000,000 each during the loan period.

On 11 August 2009, Famous Apex and Birdsong entered into a new agreement (“New Agreement”) with Poly Sanhao, Worldpro and other relevant parties who are independent third parties of the Group, in relation to the revised repayment schedule of the First Loan and the Second Loan with an aggregate amount of approximately RMB137,800,000. As a pre-requisite condition for entering into the New Agreement, Worldpro made the repayment of RMB14,000,000.

Pursuant to the New Agreement, Poly Sanhao and Worldpro are obliged to settle the outstanding amount by way of three instalments on or before 31 December 2010. Within 30 days from the date of the first instalment from Worldpro or the date the first instalment from Poly Sanhao is received by Famous Apex (whichever is later, if not on the same day), the equity interest in China-King pledged by Poly Sanhao in favour of Famous Apex in respect of the First Loan will be reduced from 85% to 50%.

Upon all the payments and other obligations set out in the New Agreement having been fulfilled, Famous Apex will release the mortgage of the equity interest in China-King, the mortgage of the equity interest in Poly Sanhao and the security provided under the other security documents in accordance with their respective terms.

11. ACCOUNT RECEIVABLES AND ADVANCES PROVIDED TO CUSTOMERS

	<u>2010</u>	<u>2009</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Advances provided to customers	762,240	615,793
Account receivables	<u>204,878</u>	<u>106,796</u>
	967,118	722,589
Less: Allowance for bad and doubtful debts		
– advances provided to customers	(23,065)	(25,003)
– account receivables	<u>(15,852)</u>	<u>(5,488)</u>
	<u><u>928,201</u></u>	<u><u>692,098</u></u>

The following is an aging analysis of account receivables and advances provided to customers:

	<u>2010</u>	<u>2009</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Outstanding balances aged:		
– within one month	341,327	129,323
– more than one month but less than three months	104,577	169,948
– more than three months but less than six months	121,119	155,883
– more than six months	<u>361,178</u>	<u>236,944</u>
	<u><u>928,201</u></u>	<u><u>692,098</u></u>

12. LIABILITIES ARISING FROM LOAN GUARANTEE CONTRACTS

As at 31 March 2010, the Group provided loan guarantees of RMB3,500,113,000 equivalent to approximately HK\$3,932,711,000 (2009: RMB2,510,018,000 equivalent to approximately HK\$2,820,245,000) to customers under the loan guarantee service business. Liabilities arising from the loan guarantee business represent the management's best estimate of the Group's liability based on prior experience and default history of the business.

13. DIVIDEND

	<u>2010</u>	<u>2009</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividends recognised as distribution and paid during the year:		
Final dividends of HK4 cents per share in respect of the year ended 31 March 2009	<u><u>106,783</u></u>	<u><u>–</u></u>

A final dividend of HK2 cents (2009: HK4 cents) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

2009/10 continued to be a challenging year to the Group. While the economic recovery remained slow in some countries, the economy of the PRC had become one of the first to emerge from the global financial crisis and achieved an annual growth rate of 8.7%, which was mainly contributed by the massive economic stimulus packages implemented in 2009 to boost up the domestic demand in the PRC. Given the strong economic growth of the PRC during the second half year of 2009/10, the Group had allocated more resources to both financing and finance lease services to seize the market growth opportunity in the last quarter of 2009/10. However, in view of the complex global economic and financial environment, management of risk remained as the primary focus of the Group. The key risk management measures included imposing new controls on loan guarantee business to reduce credit risk exposure and strengthening credit approval and post-lending management processes to improve lending assets quality. The Group also accepted the request from Zhuhai Poly Sanhao Company Limited# (珠海市保利三好有限公司) (“Poly Sanhao”) and Worldpro International Investment Limited (“Worldpro”) for accelerating loan repayment schedule to strengthen the liquidity position. With all these moves, the Group has built a strong foundation for growth in future years but the results for the year ended 31 March 2010 had declined slightly.

RESULTS AND DIVIDEND

Turnover of the Group for the year ended 31 March 2010 was approximately HK\$306,097,000 (2009: HK\$351,128,000), representing a decrease of 13% over last year. Profit after tax attributable to the owners of the Company was approximately HK\$118,602,000 (2009: HK\$149,404,000), representing a decrease of 21%. The decrease was mainly due to the drop in (1) income from Famous Apex Limited (“Famous Apex”) of HK\$19,702,000 resulted from the acceptance of the accelerated loan repayment from Poly Sanhao and Worldpro; and (2) the change in fair value of derivative component of convertible note of HK\$14,592,000.

Included in the profit after tax attributable to the owners of the Company for the year ended 31 March 2010, there were some non-cash items which included, but not limited to, equity-settled share based payment expenses of HK\$15,191,000 (2009: HK\$14,629,000), notional interest on zero coupon convertible note of HK\$3,487,000 (2009: HK\$9,089,000) and notional interest on redeemable convertible preference shares of HK\$272,000 (2009: HK\$237,000).

The Board has proposed a final dividend of HK2 cents per share in respect of the results for the year ended 31 March 2010 (2009: HK4 cents). The ratio of dividend to profit after tax attributable to the owners of the Company for the year ended 31 March 2010 was 46% based on the issued share capital as at 31 March 2010. Subject to the approval of the shareholders at the forthcoming annual general meeting of the Company to be held on 30 August 2010 (the “AGM”), the final dividend will be distributed on or about 6 September 2010 to shareholders whose names appear on the Register of Members of the Company as at the close of business on 30 August 2010.

BUSINESS REVIEW

Rongzhong

The Group owns 71% equity interest in Rongzhong Group Limited (“Rongzhong”) and its subsidiaries (collectively “Rongzhong Group”) as at 31 March 2010. Rongzhong Group mainly engages in the provision of financing, loan guarantee and finance lease services. For the year ended 31 March 2010, Rongzhong Group had contributed a turnover of approximately HK\$271,696,000 (2009: HK\$297,025,000), representing a decrease of 9%, which was mainly due to the net effect of the drop in loan guarantee service income of HK\$53,232,000 resulted from stringent risk management policies and the increase in financing service income of HK\$17,949,000 and finance lease service income of HK\$9,954,000.

In May and August 2007, the Group and Rongzhong entered into two loan agreements, pursuant to which the Group conditionally agreed to make available revolving loan facilities of HK\$60 million and HK\$500 million respectively to Rongzhong as general working capital at an interest rate of 16% per annum. As at 31 March 2010, the total outstanding loan amounted to HK\$536,192,000 (2009: HK\$524,161,000). In March 2010, the Group and Rongzhong entered into a new loan agreement, pursuant to which the Group conditionally agreed to make available revolving loan facility of HK\$900 million to Rongzhong for repayment of the aforesaid two loan agreements and as general working capital at an interest rate of 10% per annum. As at 31 March 2010, this new loan facility was not utilised.

Currently, Rongzhong Group has established working relationship with the following banks:

- Agricultural Bank of China
- Bank of China
- Bank of Communications
- Bank of Nanjing
- Changsha Commercial Bank
- China Construction Bank
- China Development Bank
- China Everbright Bank
- China Merchants Bank
- China Minsheng Banking Corporation
- China Zheshang Bank
- Chongqing Rural Commercial Bank
- Guangdong Development Bank
- Industrial and Commercial Bank of China
- Industrial Bank
- Shanghai Pudong Development Bank
- Shenzhen Development Bank

1. *Financing*

Rongzhong Group first launched the financing service in Wuhan, the PRC, in April 2006. Since then, such service has been extended to Chongqing, Chengdu, Jiangsu and Guangzhou.

Rongzhong Group provides different types of financing service including but not limited to the provision of bridging loans for application or renewal of bank facilities, deposits for tender bidding, and financing for management buyout, acquisition and disposal. As at 31 March 2010, Rongzhong Group had a gross loan portfolio of approximately HK\$762,240,000 (2009: HK\$615,793,000), representing an increase of 24%. This loan portfolio continues to achieve an attractive yield and contributing a turnover of approximately HK\$209,266,000 (2009: HK\$191,317,000) to Rongzhong Group during the year, representing an increase of 9%.

Rongzhong Group commenced investment management service in May 2008. As at 31 March 2010, there were two investment management companies established in Wuhan and Taizhou and one private equity fund (the "Fund") launched with mandates to seek and invest in quality SMEs in the respective region through mainly debt investment. For the year ended 31 March 2010, Rongzhong Group recognised a profit of approximately HK\$9,165,000 (2009: HK\$7,910,000) from its investment in the Fund.

With the extensive network established over the years, Rongzhong Group will continue expanding the financing business to other mainland cities where and when opportunities arise. The priority will be given to those cities where we have been providing loan guarantee service, namely Hangzhou and Changsha.

2. *Loan Guarantee*

Rongzhong Group carries on loan guarantee business in seven cities in the PRC, namely Changsha, Chengdu, Chongqing, Guangzhou, Nanjing, Hangzhou and Wuhan. The principal activities are the provision of loan guarantee and related services to individuals and SME against the following major loan types: (1) consumable purchase; (2) educational fund; (3) residential renovation; (4) mobile phones; (5) motor vehicle, (6) real estate property and (7) SME working capital.

For the year ended 31 March 2010, Rongzhong Group had issued new loan guarantees at an aggregate amount of approximately RMB4.6 billion (2009: RMB3.4 billion), representing an increase of 35%. However, the turnover from loan guarantee service for the year was approximately HK\$51,329,000 (2009: HK\$104,561,000), representing a drop of 51%. The decrease was mainly resulted from the newly imposed preventive measures on certain loan guarantee business for SME, a relatively higher risk segment with attractive profit margin, in current year. These preventive measures will be reviewed periodically to determine its appropriateness in subsequent years.

Guarantee income is recognised over the life of the guarantee contracts and, as at 31 March 2010, the deferred income amounted to approximately HK\$49,715,000 (2009: HK\$36,847,000) which would be recognised in the forthcoming three financial years.

3. *Finance Lease*

In addition to short-term financing and loan guarantee services, Rongzhong Group also offers medium to long term financing service through Rongzhong International Financial Leasing Co., Ltd. (“Rongzhong Finance Lease”), a wholly owned subsidiary of Rongzhong. Established in Wuhan under the wholly-foreign owned leasing license issued by the Ministry of Commerce of the PRC, Rongzhong Finance Lease commenced business operation in August 2008 offering a wide range of leasing services, such as direct leasing, sales and leaseback, operating lease, leveraged leasing and lease with manufacturer’s buy-back undertaking, etc. The target customer group is SME across the nation and the current customers spanned over various provinces and cities of the PRC, including but not limited to Hubei, Hebei, Hunan, Tianjin, Hangzhou and Guangdong.

Leveraging on banking facilities from Agricultural Bank of China, China Development Bank and China Merchants Bank, Rongzhong Finance Lease recorded a remarkable growth in current year. As at 31 March 2010, the carrying value of finance lease receivable amounted to approximately HK\$170,306,000 (2009: HK\$18,478,000), representing an increase of 822%. For the year ended 31 March 2010, the contributed turnover was approximately HK\$11,101,000 (2009: HK\$1,147,000), representing an increase of 868%.

Given the strong market demand of finance lease service in the PRC, the superb business network and the industry relationship of Rongzhong Group, Rongzhong Finance Lease will continue expanding its services to all quality customers in the PRC and is expected to become a major and stable income provider to Rongzhong Group in the future.

Famous Apex

In September 2007, Famous Apex entered into two loan agreements with Poly Sanhao and Worldpro, pursuant to which Famous Apex conditionally agreed to make available term loans of RMB100 million and RMB15 million to Poly Sanhao and Worldpro respectively. The loan of RMB100 million was secured by mortgages of the 85% equity interest in Zhuhai City China-King Real Estate Co., Ltd.# (珠海市中廣置業有限公司) and 51% equity interest in Poly Sanhao. The loan of RMB15 million was secured by the first fixed and floating charge on all assets owned by Worldpro and mortgage of the entire issued share capital of Worldpro. These loans were fully drawn in January 2008 and the first two instalments of RMB12 million and RMB18 million were subsequently paid as scheduled in January 2009 and July 2009, respectively.

On 11 August 2009, Famous Apex entered into an agreement (the “Agreement”) with Poly Sanhao, Worldpro, and other relevant parties in relation to, among others, the settlement of the above loans. Pursuant to this Agreement, Poly Sanhao and Worldpro are obliged to settle these loans by way of three instalments in an aggregate amount of approximately RMB137.8 million on or before 31 December 2010. As a prerequisite, Worldpro had made a repayment of RMB14 million to Famous Apex prior to entering into this Agreement. The management of the Group believes that such move can reduce the credit risk of these loans, improve the Group’s liquidity position and enable the Group to apply the funding received from the early payments for other lending and/or investment activities in order to generate additional return for the Group. Accordingly, for the year ended 31 March 2010, these loans contributed a turnover of approximately HK\$34,401,000 (2009: HK\$54,103,000) to the Group, representing a decrease of 36%.

Future plans

Currently, finance lease in the PRC is still in its infancy. It represents only a very small portion of the sources of financing in the PRC (especially for SME) with a low single digit leasing penetration rate, which is far below the world's average. Since finance lease is a useful financial instrument to address the medium term funding gap faced by SME, the Directors are of the view that the demand for SME finance lease service in the PRC should remain strong in the coming years and thus more resources will be put in this business segment to capture the huge growth potential and to supplement the existing focus on SME financing product lines. Meanwhile, priority will also be given to developing financing business in order to seize the market growth opportunity in the PRC. In view of the potential impact of the sovereign debts crisis to the global economy, the Group will remain conservative in developing new businesses and exploring new investment opportunities.

FINANCIAL REVIEW

Liquidity and Capital Resources

As at 31 March 2010, the Group had outstanding bank borrowings of RMB280,000,000 (2009: RMB109,000,000) granted by several banks in the PRC. The bank borrowings of RMB200,000,000 (2009: RMB109,000,000) were secured by the charges over the Group's and the minority shareholders' indirect interests in Rongzhong Investment Group Limited# (融眾投資集團有限公司) ("Rongzhong Investment") and Wuhan Rongzhong Pawn Shop Co., Ltd.# (武漢融眾典當有限公司), which are 71% owned subsidiaries of the Company, and certain finance lease receivables with an aggregate carrying value of approximately HK\$90,186,000 (2009: Nil). The Company, Rongzhong Investment and a director of the Company had given guarantees to a bank in securing the bank borrowing of not more than RMB100,000,000 (equivalent to approximately HK\$112,360,000) in aggregate. The guarantee provided by the Company was in proportion to its 71% equity interest in the borrower. In addition, Rongzhong Investment had given guarantees to other banks in securing the bank borrowing of not more than RMB130,000,000 (equivalent to approximately HK\$146,067,000) in aggregate in the PRC. The banking facilities of RMB260,000,000 bore interest with reference to the rate offered by the People's Bank of China and the remaining facility of RMB20,000,000 bore fixed interest at 9% per annum. At present, the Group has not used any derivative to hedge against the interest rate risk exposure.

On 2 October 2007, the Company issued a convertible note with principal amount of HK\$135,000,000 maturing on 2 October 2010 to a related company for acquisition of 20% issued share capital of Rongzhong. This note is interest free and convertible into ordinary shares at a conversion price of HK\$1.08 per ordinary share, subject to adjustment upon occurrence of certain events. The value of this note was split into liability and derivative components and goodwill of HK\$103,686,000 was recognised on the date of issuance. In December 2008, part of this note with a nominal value of HK\$54,000,000 was converted into 50,000,000 ordinary shares at HK\$1.08 each. On 9 October 2009, the balance of this note with a nominal value of HK\$81,000,000 was converted into 75,000,000 ordinary shares at HK\$1.08 each. A gain on change in fair value of derivative component of HK\$1,209,000 (2009: HK\$15,801,000) was recorded during the year.

The Group has always maintained strong liquidity position even after increasing the debt level from HK\$122,472,000 to HK\$314,607,000 for expansion of finance lease business during the year. As at 31 March 2010, the aggregate amount of cash, bank balances and short term bank deposits was approximately HK\$452,553,000 (2009: HK\$579,852,000) and the net debt to equity ratio was analysed as follows:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Debt (<i>Note a</i>)	314,607	122,472
Cash and cash equivalents	(371,197)	<u>(495,083)</u>
Net debt	(56,590)	(372,611)
Equity (<i>Note b</i>)	1,486,776	1,367,502
Net debt to equity ratio (<i>Note c</i>)	N/A	N/A

Notes:

- (a) Debt comprises bank borrowings.
- (b) Equity includes all capital, reserves and minority interests of the Group.
- (c) Not applicable as no net debt as at 31 March 2010 and 31 March 2009.

Taking into account the financial resources available to the Group, including internally generated funds and available banking facilities, the Group has sufficient working capital to meet its present requirements.

Effect on Exchange Rate Fluctuation

The Group's transactions, monetary assets and liabilities are principally denominated in Hong Kong dollars, United States dollars and Renminbi ("RMB"). On 1 July 2007, the Group adopted RMB as its functional currency since the major operations of the Group are carried out in the PRC, and are transacted and recorded in RMB. Accordingly, the exchange rate risk exposure to the Group is considered minimal and, at present, no derivative instrument is used by the Group to hedge against any exchange rate risk exposure.

Charges on the Group's Assets

As at 31 March 2010, the Group's banking facilities were granted by several banks in the PRC and secured by the following:

- (a) a charge over the Group's and the minority shareholders' indirect interests in Rongzhong Investment;
- (b) a charge over the Group's and the minority shareholders' indirect interests in Wuhan Rongzhong Pawn Shop Co., Ltd.;
- (c) certain finance lease receivables of the Group with an aggregate carrying value of RMB80,266,000 equivalent to approximately HK\$90,186,000 (2009: Nil); and

- (d) the properties held for sale of the Group with an aggregate carrying value of RMB8,010,000 (2009: RMB8,010,000) equivalent to approximately HK\$9,000,000 (2009: HK\$9,000,000). As at 31 March 2010, this facility was not utilised.

As at 31 March 2010, the guarantee facilities granted to the Group were secured by the security deposits in an aggregate of approximately HK\$172,849,000 (2009: HK\$105,302,000).

Contingent Liabilities

As at 31 March 2010, the Group had contingent liabilities of RMB3,500,113,000, equivalent to approximately HK\$3,932,711,000 (2009: RMB2,510,018,000, equivalent to approximately HK\$2,820,245,000) in relation to the provision of loan guarantee service in the PRC. At the reporting date, an amount of RMB9,060,000, equivalent to approximately HK\$10,180,000 (2009: RMB6,150,000, equivalent to approximately HK\$6,910,000) has been recognised in the consolidated statement of financial position as liabilities.

Employees and Remuneration Policy

As at 31 March 2010, the Group's total number of staff was approximately 510 in Hong Kong and the PRC. The Group remunerates its employees based on their performance, experience and prevailing industry practices. Other benefits offered to the employees include medical insurance, retirement scheme and training subsidies. In addition, the Group has set up a share option scheme for the purpose of providing incentives to the eligible employees.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor its subsidiary has purchased, sold or redeemed any of the Company's listed securities during the year.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the year ended 31 March 2010 under review (the "Year"), the Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules.

AUDIT COMMITTEE

The audit committee of the Company comprises three members namely Mr. Cheng Yuk Wo, Mr. Ma Ho Fai SBS JP and Mr. Melvin Jitsumi Shiraki, the independent non-executive directors of the Company.

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed with management in respect to the financial reporting matters, including a review of the audited consolidated financial statements of the Group for the Year, who are of the opinion that such statements comply with the applicable accounting standards and the Listing Rules and that adequate disclosure have been made.

REMUNERATION COMMITTEE

The remuneration committee comprises three members namely Mr. Cheng Yuk Wo, Mr. Ma Ho Fai SBS JP and Mr. Kee Wah Sze.

The principal responsibilities of remuneration committee include, among others, making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and reviewing the specific remuneration packages of all executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the directors of the Company on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. The Company, having made specific enquiry of all directors, confirmed that all directors have complied with the required standard of dealings set out therein throughout the Year.

ANNUAL GENERAL MEETING

It is proposed that the AGM will be held on 30 August 2010. For details of the AGM, please refer to the Notice of the AGM which is expected to be published on or about 21 July 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 25 August 2010 to 30 August 2010, both days inclusive. For the purpose of ascertaining the members' entitlement to the attendance of the AGM and to the final dividend, all share transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, namely Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 24 August 2010.

By order of the Board
Goldbond Group Holdings Limited
Ding Chung Keung, Vincent
Chief Executive Officer

Hong Kong, 28 June 2010

As at the date of this announcement, (a) the executive directors of the Company are Mr. Wang Jun, Mr. Wong Yu Lung, Charles, Mr. Ding Chung Keung, Vincent, Mr. Kee Wah Sze, Mr. Xie Xiao Qing and Ms. Wong, Michelle Yatyee; (b) the independent non-executive directors of the Company are Mr. Ma Ho Fai SBS JP, Mr. Melvin Jitsumi Shiraki and Mr. Cheng Yuk Wo.

For identification purpose only