
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **FULBOND HOLDINGS LIMITED** (the “Company”), you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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



Fulbond Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1041)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF INTERESTS IN AN ASSOCIATED COMPANY**

A letter from the board of directors of the Company is set out on pages 3 to 6 of this circular.

2nd April, 2007

CONTENTS

	<i>Page</i>
DEFINITIONS	1
 LETTER FROM THE BOARD	
Introduction	3
The Agreement	4
Information on Fulhua	5
Financial effect of the Disposal	5
Reasons for and benefits of the Disposal	6
General Information	6
 APPENDIX – General Information	 7

DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 20th March, 2007 entered into between the Company and Silverplus relating to the sale and purchase of the Sale Shares
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	board of Directors
“Business Day”	a day (excluding Saturday and any day on which no.8 signal or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon during a typhoon or on which a black rainstorm warning is issued or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which banks are open for business in Hong Kong
“Company”	Fulbond Holdings Limited, a company incorporated in Bermuda and the shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the sale and purchase of the Sale Shares
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Disposal”	the disposal of the Sale Shares by the Company pursuant to the Agreement
“Fulhua”	Fulhua Microelectronics Corporation, a company incorporated in the Cayman Islands and an associated company of the Company which is owned as to approximately 31.73% by the Company prior to the Disposal
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Latest Practicable Date”	29th March, 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Sale Shares”	9,000,000 ordinary shares and 5,525,275 Class A preferred shares of Fulhua held by the Company representing approximately 31.73% of the equity interests in Fulhua
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	share(s) of US\$0.001 each of the Company
“Silverplus”	Silverplus Investment Limited, a company incorporated in the British Virgin Islands with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent.

In this circular, sums expressed in US\$ have been translated into HK\$ at the rate of US\$1 = HK\$7.8.

LETTER FROM THE BOARD



Fulbond Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1041)

Executive Directors:

Mr. Zhang Xi
Ms. Zhang Huafang
Mr. Cai Duanhong
Ms. Catherine Chen

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Independent non-executive Directors:

Mr. Hong Po Kui, Martin
Mr. Yam Tak Fai, Ronald
Mr. Wong Man Hin, Raymond

*Head office and principal place
of business:*

15th Floor
Sing Ho Finance Building
166-168 Gloucester Road
Wanchai
Hong Kong

2nd April, 2007

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION DISPOSAL OF INTERESTS IN AN ASSOCIATED COMPANY

INTRODUCTION

On 20th March, 2007, the Company announced that the Company entered into the Agreement with Silverplus pursuant to which Silverplus agreed to acquire and the Company agreed to dispose of the Sale Shares. Upon Completion, the Company will not own any shares in Fulhua and Fulhua will cease to be an associated company of the Company.

Prior to the Disposal, the Company held 9,000,000 ordinary shares and 5,525,275 Class A preferred shares of Fulhua which represented approximately 31.73% of the equity interests in Fulhua. To the best of the Directors' knowledge, information and belief having made reasonable enquiry, the other shareholders of Fulhua are third parties independent of the Company and the connected persons of the Company.

LETTER FROM THE BOARD

THE AGREEMENT

Date 20th March, 2007

Parties

Vendor: The Company

Purchaser: Silverplus, an independent third party

The Purchaser is an investment holding company. To the best of the Director's knowledge, information and belief having made reasonable enquiry, Silverplus and the ultimate beneficial owners of Silverplus are third parties independent of the Company and the connected persons of the Company.

Assets to be disposed of

Pursuant to the Agreement, Silverplus agreed to acquire and the Company agreed to dispose of the Sale Shares, representing approximately 31.73% of the equity interests in Fulhua.

Consideration

The consideration for the Disposal is US\$340,000 (or approximately HK\$2,652,000) which has been paid by Silverplus to the Company in cash upon signing of the Agreement. The consideration for the Disposal was arrived at after arm's length negotiations between the parties to the Agreement and was determined with reference to, among others, the unaudited consolidated net asset value of Fulhua.

Conditions

Completion shall be conditional upon fulfilment of the following conditions:

- (a) completion by Silverplus of the due diligence review and Silverplus being reasonably satisfied with the results thereof; and
- (b) the board of Fulhua resolving to approve the sale of the Sale Shares contemplated in the Agreement.

If any of the conditions set out above has not been fulfilled (or waived by Silverplus) on or before 31st March, 2007 or such other date as the parties may agree in writing, the Agreement shall lapse and be terminated and thereafter all rights, obligations and liabilities of all parties hereunder shall cease and determine and no party shall have any claim against the other under the Agreement except for antecedent breach.

As at the Latest Practicable Date, all conditions set out in the Agreement have been fulfilled (or waived by Silverplus).

LETTER FROM THE BOARD

Completion

Completion shall take place at 11:00 a.m. on or before the third Business Day after the fulfillment (or, as the case may be, waiver) of the conditions of the Agreement or such later date as the parties shall agree. Upon Completion, the Company will not own any shares in Fulhua and Fulhua will cease to be an associated company of the Company.

INFORMATION ON FULHUA

Fulhua is an investment holding company incorporated in the Cayman Islands whose subsidiaries, Forward Sino Enterprises Limited, Fulhua Microelectronics (Shanghai) Corporation, Fulhua Microelectronics Corporation USA, Incorporated and Sota Design Technology Inc., are engaged in the provision of integrated circuit design services.

The audited consolidated net loss before tax and minority interests of Fulhua for the two years ended 31st December, 2004 and 2005 were US\$5,146,922 (or approximately HK\$40,145,992) and US\$5,799,002 (or approximately HK\$45,232,216) respectively and the audited consolidated net loss after tax and minority interests of Fulhua for the two years ended 31st December, 2004 and 2005 were US\$4,422,113 (or approximately HK\$34,492,481) and US\$5,352,108 (or approximately HK\$41,746,442). The unaudited consolidated net loss before and after tax and minority interests of Fulhua for the year ended 31st December, 2006 was US\$4,861,791 (or approximately HK\$37,921,970) and US\$4,443,680 (or approximately HK\$34,660,704) respectively.

The audited consolidated net asset values of Fulhua were US\$9,151,078 (or approximately HK\$71,378,408) and US\$5,199,263 (or approximately HK\$40,554,251) as at 31st December, 2004 and 31st December, 2005 respectively. The unaudited consolidated net asset value of Fulhua as at 31st December, 2006 was US\$792,378 (or approximately HK\$6,180,548).

The estimated net proceeds for the Disposal will amount to approximately HK\$2,352,000. The Directors intend to utilize the net proceeds from the Disposal for general working capital purpose.

FINANCIAL EFFECT OF THE DISPOSAL

Based on the unaudited consolidated net asset value of Fulhua as at 31st December, 2006 of approximately US\$792,378 (or approximately HK\$6,180,548) and the consideration for the Disposal of US\$340,000 (or approximately HK\$2,652,000), it is estimated that there will be a gain of approximately US\$88,578 (or approximately HK\$690,908) on the Disposal. The Disposal will not have any material impact on the assets and liabilities of the Group. The total assets of the Group will be increased by approximately US\$88,578 (or approximately HK\$690,908) and the total liabilities of the Group will remain unchanged immediately upon the Completion.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the business of manufacturing and sale of wood products and investments in high-technology business.

The Group has invested in Fulhua for the past few years but has continuously incurred losses since then. Since the Directors intend to improve the overall performance of the Group and allocate the resources in a more efficient way, the Directors decided to dispose the interests in Fulhua in order to cut further potential losses shared in Fulhua. Upon Completion, the Company will not own any shares in Fulhua and Fulhua will cease to be an associated company of the Company.

The Directors (including the independent non-executive Directors) consider that the Disposal is in the interest of the Company and the Shareholders as a whole and the terms and conditions of the Agreement are fair and reasonable so far as the Company and the Shareholders are concerned.

GENERAL INFORMATION

Your attention is also drawn to the general information as set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Zhang Xi
Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. 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 there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO), which (i) were required, pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO), to be notified to the Company and the Stock Exchange; or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register kept by the Company; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in Shares

Name of Director	Capacity	Number of Shares held	Approximate percentage of the issued share capital of the Company
Mr. Zhang Xi	Beneficial owner through controlled corporation CTIL (<i>Note</i>)	4,692,826,000	51.02%

Note: Mr. Zhang Xi (“Mr. Zhang”) (as defined herein) is the beneficial owner of 4,692,826,000 Shares. He is deemed to be interested in those Shares which are held by Civil Talent International Limited (“CTIL”), a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by him.

As at the Latest Practicable Date, save as disclosed above, none of the Directors were interested, or were deemed to be interested in the long and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which (i) were required, pursuant to Divisions 7 and 8 of Part XV of the SFO, to be notified to the Company and the Stock Exchange; or (ii) were required, pursuant to Section 352 of the SFO, to

be entered in the register kept by the Company referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to the Company and the Stock Exchange.

(b) Interests of substantial Shareholder

As at the Latest Practicable Date, so far as is known to the Directors, the following person (other than Mr. Zhang) had, or was deemed or taken to have, an 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, who was, 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 member of the Group:

Long positions in Shares

Name of Shareholder	Capacity	Number of Shares held	Approximate percentage of the issued share capital of the Company
CTIL (<i>Note</i>)	Beneficial interest	4,692,826,000	51.02%
Mr. Zhang	Interest through controlled corporation	4,692,826,000	51.02%

Note: CTIL is wholly-owned by Mr. Zhang

Save as disclosed above, the Directors are not aware of any person (other than Mr. Zhang), who, as at the Latest Practicable Date, had, or was deemed or taken to have, an 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 who was 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 member of the Group.

3. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

4. DIRECTOR'S SERVICE CONTRACTS

Each of Mr. Zhang, Ms. Zhang Huafang ("Ms. Zhang"), Mr. Cai Duanhong ("Mr. Cai") and Ms. Catherine Chen ("Ms. Chen") has entered into a service contract with the Company. Each of the service contract of Mr. Zhang, Ms. Zhang and Mr. Cai was effective on 11th December, 2006 and the service contract of Ms. Chen was effective on 2nd January, 2007. Brief particulars of these service contracts are set out as follows:

- (a) the term of each of the service contract shall be for a term of three years;
- (b) each of the service contract may be terminated by either party giving to the other party not less than three months' written notice and the effective date shall be the date specified in the written notice;
- (c) each of Mr. Zhang, Ms. Zhang, Mr. Cai and Ms. Chen is entitled to a directors' fee of HK\$600,000 per annum and may be entitled to discretionary bonuses which are conditional and limited to 1% of the profit after taxation and minority interests but before extraordinary items and exceptional items (before the deductions of any discretionary bonuses, remuneration and benefits) of the Group for a particular financial year; and
- (d) each of the service contract provides for management bonus in respect of each financial year of the Company in an amount to be determined by the Board in its absolute discretion.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates had any interests in a business, which competed or may compete, either directly or indirectly, with the business of the Group.

6. MISCELLENEOUS

- (a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The head office and principal place of business of the Company in Hong Kong is located at 15th Floor, Sing Ho Finance Building, 166-168 Gloucester Road, Wanchai, Hong Kong.
- (b) The qualified accountant and the company secretary of the Company is Mr. Ho Yee Kee, Ricky. Mr. Ho is an associate member of the Association of Chartered Certified Accountants and has 13 years of experience in financial investment and corporate management.

- (c) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

- (d) The English text of this circular shall prevail over the Chinese version for the purposes of interpretation.