
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Fulbond Holdings Limited**, you should at once hand this circular and the enclosed proxy form to the purchaser or the transferee or to the bank, stockbroker or other registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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CONTINUING CONNECTED TRANSACTION

*Independent financial adviser to the Independent Board Committee and
the Independent Shareholders*



A letter from the Board is set out on pages 4 to 12 of this circular. A letter from the Independent Board Committee is set out on page 13 of this circular.

A letter from Guangdong Securities Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 23 of this circular.

A notice convening a special general meeting of Fulbond Holdings Limited (the "Company") to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 6 January 2011 at 11:00 a.m. or any adjournment thereof is set out on pages 28 to 29 of this circular. A proxy form for use in the special general meeting is enclosed. Whether or not you propose to attend the special general meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the special general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof should you so wish.

20 December 2010

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DEFINITIONS

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

“Acquisition”	the acquisition of 1 share of US\$1.00 each in the share capital of Allywing being its entire issued share capital and the shareholders’ loan due and owing to Mr. Zhang by Allywing as at 13 August 2010 by Good Base
“Allywing”	Allywing Investments Limited, a wholly-owned subsidiary of the Company
“Annual Caps”	the annual aggregate maximum amount of management fee payable by Allywing to the Manager pursuant to the Management Agreement
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Fulbond Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Good Base”	Good Base Investments Limited, a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Guangdong Securities” or “Independent Financial Adviser”	Guangdong Securities Limited, a licensed corporation to carry out type 1 (dealings in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Management Agreement including the Annual Caps and the transactions contemplated thereunder

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors established to advise the Independent Shareholders in relation to the Management Agreement including the Annual Caps
“Independent Shareholders”	Shareholders other than Mr. Zhang and his associates
“Independent Third Party”	third parties independent of the Company and connected persons of the Company
“Land”	2 parcels of land in Weiyang District, Xi’an City, the PRC with site areas of approximately 134,357 and 19,739 square meters for residential and commercial use respectively
“Latest Practicable Date”	16 December 2010, 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
“Management Agreement”	建設項目管理委託合同 (Construction Project Management Agreement) dated 29 November 2010 and entered into between Allywing and the Manager
“Manager”	Harvest Day Limited, a company incorporated in Cayman Islands and its 60% issued share capital is held by Ms. Zhang
“Mr. Zhang”	Mr. Zhang Xi, an executive Director and Chairman of the Company
“Ms. Zhang”	Ms. Zhang Hua Fang (張華芳), who is a sister of Mr. Zhang and holds 60% equity interests in the capital of the Manager
“PRC”	the People’s Republic of China excluding Hong Kong, Macau Special Administrative Region and Taiwan Region

DEFINITIONS

“Property Project”	the project for development of a residential and commercial area on the Land
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	a special general meeting to be held by the Company to consider and, if thought fit, approve the Management Agreement including the Annual Caps
“Share(s)”	ordinary share(s) of US\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xi’an Yuansheng”	西安遠聲實業有限公司 (Xi’an Yuansheng Enterprises Limited), a company incorporated in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of PRC
“%”	per cent

Translation of Renminbi into Hong Kong dollars is based on the exchange rate of RMB1.00 = HK\$1.17.

LETTER FROM THE BOARD



Fulbond Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1041)

Executive Directors:

Mr. Zhang Xi (*Chairman*)
Ms. Catherine Chen (*Managing Director*)
Mr. Chiu Kong
Mr. Yeung Kwok Yu
Mr. Lee Sun Man
Mr. Kwan Kam Hung, Jimmy
Mr. Wah Wang Kei, Jackie

Independent Non-Executive Directors:

Mr. Hong Po Kui, Martin
Mr. Yu Pan
Ms. Ma Yin Fan
Mr. Leung Hoi Ying

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*

Unit 2807, 28/F
The Center
99 Queen's Road Central
Central
Hong Kong

20 December 2010

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION

INTRODUCTION

Reference is made to the Company's announcement dated 29 November 2010. On 29 November 2010, Allywing, a wholly owned subsidiary of the Company and the Manager entered into the Management Agreement, pursuant to which the Manager will provide professional management services to Allywing in the Property Project in the Land situate at Weiyang District, Xi'an City, the PRC.

The purpose of this circular is to provide you with, among other things, (i) further details of the Management Agreement including the Annual Caps; (ii) letter from the Independent Board Committee to the Independent Shareholders in relation to the Management Agreement including the Annual Caps; (iii) letter of advice from Guangdong Securities to the Independent Board Committee and the Independent Shareholders in respect of the Management Agreement including the Annual Caps; and (iv) a notice of the SGM.

LETTER FROM THE BOARD

THE MANAGEMENT AGREEMENT

On 29 November 2010, Allywing and the Manager entered into the Management Agreement, pursuant to which the Manager agreed to provide professional management and consultancy services to Allywing in relation to the Property Project.

Date

29 November 2010

Parties

- (1) Allywing, a wholly owned subsidiary of the Company
- (2) the Manager

Principal Terms of the Management Agreement

- (1) The Manager agrees to provide Allywing with management and consultancy services in the Property Project, a brief summary thereof are set out as follows:
 - (a) maintaining or approving the inter-relationships among the parties involved in the Property Project, including but not limited to the relevant governmental departments and authorities;
 - (b) manipulating managing and controlling the works of all contractors, sub-contractors and contracting parties, including preparation of agreements with contractors, selection of contractors and sub-contractors and reporting of the construction works' progresses;
 - (c) managing supervising and coordinating the designing works in every design step;
 - (d) organizing managing and supervising the purchase of materials and equipments, including organizing tender processes of all construction works and liaising with potential suppliers in respect of the prices and qualities of materials and equipments;
 - (e) controlling coordinating and maintaining the continuing progress of construction works pursuant to designed plans;
 - (f) providing suggestions in relation to chosen of raw materials, equipments and operating systems, usage of the construction sites and possibility of different construction plans;
 - (g) providing suggestions in relation to the terms of construction contracts and contents of design plans;

LETTER FROM THE BOARD

- (h) assisting to control the construction prices. The Manager shall within one month after the signing of the Management Agreement, suggest to Allywing a mechanism of controlling the construction prices; and within three months after completion of all construction works, assist to complete the settlement of accounts with all relevant parties and, with the final approval of Allywing, settle the balances of the accounts;
 - (i) within one month after completion of construction works, compiling and delivering to Allywing the original and one copy of the whole set of files in relation to all the construction works involved;
 - (j) organizing controlling ensuring the quality of all construction works up to standards as required;
 - (k) providing on-site management control and services in the construction sites to ensure that the safety, protection, supporting and transport of materials in the construction sites fulfill the requirements of relevant regulations in Xi'an City;
 - (l) coordinating and assisting all checking and investigation procedures taken out by relevant governmental departments and authorities after completion of construction works;
 - (m) coordinating and supervising the maintenance works in compliance with all relevant maintenance agreements and thereafter compiling all such agreements information and documents in relation to maintenance for delivering the same to Allywing; and
 - (n) organizing recommending and arranging the signing of all relevant insurance policies to ensure that the assets of Allywing are covered and protected under insurance.
- (2) Allywing agrees to pay to the Manager:
- (a) an inclusive management fee of HK\$50,000,000, which will be settled by Allywing by 3 installments as follows:
 - (i) first installment : HK\$23,000,000 being 46% of the total management fee and payable within 15 days after the effective date of the Management Agreement;

LETTER FROM THE BOARD

- (ii) second installment : HK\$13,500,000 being 27% of the total management fee and payable within 15 days after the issue of certificate of approval for presale of commodities premises (商品房預售許可證) (the “Second Installment Condition”);
 - (iii) third installment : HK\$13,500,000 being 27% of the total management fee and payable within 15 days after issue of certificates of compliance confirming completion of all construction works in the Property Project and settlement of accounts (which have been audited by independent third parties) with all contracting parties (the “Third Installment Condition”).
- (b) the Manager shall be responsible for Allywing’s financial loss if (i) construction works are delayed and (ii) the Manager is default in performing its duties pursuant to the Management Agreement. The amount of compensation payable by the Manager thereby will be subject to negotiation between the parties, but in any event not more than the management fee (after deduction of tax) payable by Allywing.
- (3) Since after completion of the Acquisition on 13 August 2010, in accordance with recent district development plans of the local government in Xi’an city, the surrounding areas of the Land will have substantial developments to include commercial areas, exhibition centre, luxury hotel and other high class buildings. Furthermore, a wetland park will also be built at an area nearby the Land. In order to catch up the recent development of the surrounding areas of the Land, the building plans of the Property Project had been changed to develop more luxury residential and commercial buildings by using better quality construction materials as well as well better decorations. But Property Project will still be developed into residential and commercial buildings, the original building plans of the Property Project as stated in the Company’s circular dated 28 June 2010 will not be substantially changed, save and except that better quality construction materials and decorations will be used and a portion of the residential units will be developed as well decorated units rather than undecorated units as in the original plan. Since there is no change in land use of the Land and all these value-added work done do not materially change the gross floor area of the Property Project, no additional approval from the relevant governmental authorities is required. Based on the existing building plans and estimated budget, the estimated total construction fee is RMB3.5 billion. It is expected that the construction costs can be sustained by income generated from the sales of properties and/or bank financing if required.

LETTER FROM THE BOARD

- (4) If the Manager defaults in submitting to Allywing any plan, meeting record, management report (in electronic format) or examination report on time pursuant to the Management Agreement, the Manager shall pay to Allywing a penalty fee equivalent to 0.05% of such instalment of management fee per day (i.e. penalty fee = days of default x instalment of management fee x 0.05%).
- (5) The Management Agreement is conditional upon the Independent Shareholders' approval of the Management Agreement including the Annual Caps at the SGM in accordance with the Listing Rules.
- (6) The terms of the Management Agreement will be commenced upon approval of the Management Agreement including the Annual Caps by the Independent Shareholders at the SGM in accordance with the Listing Rules and terminated upon issue of certificates of compliance confirming completion of all construction works in the Property Project and settlement of accounts (which have been audited by independent third parties) with all contracting parties and the payment of last instalment of the management fee by Allywing. The term is estimated to be five years from the commencement of the Management Agreement. Guangdong Securities has explained why a longer period for the Management Agreement is required and confirm that it is normal business practice for contracts of this type to be of such duration in the letter from Guangdong Securities.

Annual Caps

The estimated Annual Caps for the continuing connected transactions for the period ending 31 December 2011, the financial years of the Group ending 31 December 2012, 31 December 2013, 31 December 2014, 31 December 2015 and the five months ending 31 May 2016 are as follows:

	For the period ending 31 December 2011	For the financial year ending 31 December 2012	For the financial year ending 31 December 2013	For the financial year ending 31 December 2014	For the financial year ending 31 December 2015	For the five months ending 31 May 2016
Annual Caps	HK\$36,500,000 ¹	HK\$27,000,000 ²	HK\$27,000,000 ²	HK\$27,000,000 ²	HK\$27,000,000 ²	HK\$27,000,000 ²

- The estimated Annual Cap for the period ending 31 December 2011 is determined with reference to the first installment of the management fee at the sum of HK\$23,000,000 payable by Allywing within 15 days after the effective date of the Management Agreement together with the second installment at the sum of HK\$13,500,000 payable by Allywing in the event that the Second Installment Condition is fulfilled.
- The estimated Annual Caps for the financial years of the Group ending 31 December 2012, 31 December 2013, 31 December 2014, 31 December 2015 and the five months ending 31 May 2016 are determined with reference to the second installment of the management fee at the sum of HK\$13,500,000 and the third installment of the management fee at the sum of HK\$13,500,000 payable by Allywing in the event that the Second Installment Condition and the Third Installment Condition are fulfilled.

LETTER FROM THE BOARD

REASONS FOR ENTERING INTO THE MANAGEMENT AGREEMENT

As mentioned in the Company's circular dated 28 June 2010, the Directors consider that the Acquisition, which provides the Group an opportunity to participate in the real estate market in the PRC, will enable the Group to diversify its business to the property development sector and it is expected that this would provide positive contributions to the operation of the Group in long term.

The Group is principally engaged in the business of manufacturing and sale of wooden products, which needs a party in providing professional advice and assisting in management and control of the Property Project.

The Manager is principally engaged in management service of investment, development, management of property and has engaged a management team with extensive experience in the property development and management in the PRC. The Directors believe that the Manager can provide professional advice to the Group and assist the Group in managing and operating the Property Project. The particulars of chief experts in the management team to be engaged in the Property Project are as follows:

Ms. Zhang, aged 36, is currently a substantial holder and director of the Manager. Ms. Zhang obtained a bachelor degree in International Economic and Trade of Xiamen University (Finance College) in 1995. Since 1999, Ms. Zhang had actively participated in investments in land projects in the PRC, including but not limited to: in 1999, setting up Jinan Junhao Development Co. Ltd. (濟南君豪置業有限公司) to develop a residential town of 100 thousand square meters in Shandong, the PRC; in 2001, setting up Jinan Wanhao Property Development Co. Ltd. (濟南萬豪房地產開發有限公司) to develop a villa project in Jinan City, the PRC; in 2001, acquiring Xiamen Danlu Property Development Co. Ltd. (廈門丹鷺房地產開發有限公司) for development of Water Coast View Project (水岸豪景項目); in 2002, participating in a property development project namely "Chuang Guan Hilltop Garden (創冠山頂花園)" occupying an area of 600 thousand square meters in Chongqing, the PRC; in 2009, acquiring Dalian Worldwide Foreign Investors Entertainment Club Co. Ltd. (大連環球外商俱樂部有限公司) to develop Golden Stone Beach National Tourist District Chateau (金石灘國家旅遊度假區金座莊園) in Dalian, the PRC; and in 2010, acquiring a land of about 126,184 square meters in Tongan District, Xiamen, the PRC to develop a project, namely Bali Fragrant Spring (巴厘香泉).

Mr. Chen Wen (陳文), aged 44, who was graduated from Wuhan University in 1988. Mr. Chen has near 20 years experience in planning and design works and participated in different land development projects in the PRC. He had involved in the following residential development projects: landscape of Beijing Yicheng Huafu (北京億城華府景觀), an integrated residential project occupying an area of 400 mu; Shenzhen Huaqiang Tourists Town (深圳華強旅遊城), an integrated property project of an area of 460 mu; and Nanchang Qingshui Bay (南昌清水灣), a residential property project occupying an area of 200 mu. Mr. Chen also involved in the following commercial land projects: Nanchang Jinyu City (南昌金域名都), an integrated property project including offices and hotels occupying an area of 160 mu; and Xi'an Golden Hill Land (西安金山美地), an integrated property project including four-star hotel and residential apartments occupying an area of 80 mu.

LETTER FROM THE BOARD

Mr. Shen Yiren (沈益人), aged 41, has achieved a Doctor degree in construction and is registered as level one architect in the PRC. Mr. Shen has 18 years' experience in planning, construction, landscaping and interior design in property development projects. Mr. Shen had previously worked as the general manager for Beijing Green City Investment Co. Ltd. (北京區域綠城投資公司), Shanghai Green View Development Co. Ltd. of Green City Group (綠城集團上海綠景置業有限公司) and Green City Landscape Shanghai Co. Ltd. (綠城景觀上海公司). He had participated in the following land projects in the PRC: Hangzhou Chunjiang Garden (杭州春江花園), Shanghai Green City (上海綠城), Beijing Green City Baihe Apartment (北京綠城百合公寓), landscape design of Jiangsu Sunlight City (江蘇陽光城市景觀設計) and Zhejiang Fuyang Yunshui Shanju Villa District (浙江富陽雲水山居別墅區景觀設計).

Mr. Chen Peifeng (陳佩楓), aged 43, is a level one registered construction architect. Mr. Chen has 20 years' experience in planning, construction, landscaping and interior design in property development project. He had previously worked as the general manager for Xiamen Jiande Development Co. Ltd. (廈門建德開發有限公司), Xiamen Dianlu Property Development Co. Ltd. (廈門丹鷺房地產開發有限公司), Lixin (Xiamen) Entertainment Co. Ltd. (麗心(廈門)娛樂有限公司) and Hongkong Qiaofeng Holding Co. Ltd. (香港僑豐控股有限公司). He had involved in the following projects: Xiamen Watercoast Great View (廈門水岸豪景) and Xiamen Bali Villa (廈門巴厘香墅) landscape and interior designs, and Dalian Junhai Project (大連君海項目) planning and design.

Mr. Jiatao (賈濤), aged 38, is an advanced engineer and level one registered architect. Mr. Jia has 14 years' experience in construction design works. He had participated in the following projects: Shanghai Putuo District Zhenru Centre (上海普陀區真如中心) (a commercial property project occupying an area of 600 thousand square meters), Beijing Capital Airport Pilot Activity Centre (北京首都機場飛行員活動中心), Wujiang Silk Square (吳江絲綢廣場) and 300 thousand square meters residential project in Ho Chi Ming City of Vietnam.

Mr. Zhangyi (張奕), aged 36, has obtained double degree in Finance and Law. Mr. Zhang has 15 years' experience in property development and is strong in planning, management in property projects. He had worked as the marketing manager for Wanke State Enterprise Property Services Co. Ltd (萬科國企房地產服務有限公司) and the supervisor for operation department of China Property Development Group Southern Property Co. Ltd (中國房地產開發集團南方置業有限公司). He had participated in Zhenjiang Scenery City (鎮江風景城邦) (1,200 mu), Fuzhou Jiangnan Water Town (福州江南水都) (2,800 mu), Xi'an Changan International Plaza (西安長安國際廣場) (a five-star hotel) and Beijing Spring City Villa (北京香泉城別墅) (1,500 mu), etc.

Mr. Zhu Hengpu (朱恒譜), aged 81, was graduated in architect department of Qinghua University and is a level one registered architect in the PRC. Mr. Zhu has 45 years' experience in construction design works, he had been appointed the general architect of Hainan Branch of Beijing Industrial Design Institute (北京工業設計院海南分院) and the construction director-general of Shenzhen International Enterprises Service Co. Ltd (深圳國際企業服務公司). He has participated in the following construction works: Anshan Iron-smelting Museum (鞍山冶鐵博物館), Beijing Workers Club (北京市工人俱樂部), Development Plan of Guangdong Nanhai Xiqiaoshan Scenery Tourists (廣東南海西樵山風景旅遊區規劃).

LETTER FROM THE BOARD

The management fee was agreed after arm's length negotiation and was determined with reference to the duties and responsibilities under the Management Agreement, the experiences and qualifications of the personnel of the Manager.

The Directors (including the independent non-executive Directors, but excluding Mr. Zhang) consider that the Annual Caps are fair and reasonable. As far as the Company and the Independent Shareholders are concerned, these terms of the Management Agreement are fair, reasonable, on normal commercial terms and are in the interests of the Company and the Independent Shareholders as a whole. In view of his relationship with Ms. Zhang, Mr. Zhang had abstained from voting on the Board's resolution in approval of the Management Agreement including the Annual Caps.

LISTING RULES IMPLICATIONS

Ms. Zhang holds 60% issued share capital of the Manager. Since Ms. Zhang is a sister of Mr. Zhang who is an executive Director and the Chairman of the Company, she is therefore a connected person of the Company. The entering into of the Management Agreement between Allywing and the Manager constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. Given the applicable percentage ratios (other than the profit ratio) of the Listing Rules exceed 5% and the annual consideration is more than HK\$10,000,000, the Management Agreement is therefore subject to the reporting, announcement and Independent Shareholders' approval and annual review pursuant to Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made reasonable enquiries, save for Mr. Zhang and his associates, no Shareholder has a material interest in the Management Agreement. Therefore, save for Mr. Zhang and his associates (holding 1,592,826,000 Shares of the Company representing 3.49% of total issued Share capital of the Company), no Shareholder is required to abstain from voting in relation to the resolution(s) to be proposed for approving the Management Agreement including the Annual Caps at the SGM.

SGM

A notice convening the SGM is set out on pages 28 to 29 of this circular. The SGM will be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 6 January 2011 at 11:00 a.m. or any adjournment thereof to consider and, if thought fit, approve the Management Agreement including the Annual Caps.

A proxy form for use in the SGM is enclosed with this circular. Whether or not you propose to attend the meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the SGM must be taken by poll. The Chairman of the SGM will demand a poll for the resolution to be proposed at the SGM in accordance with the bye-laws of the Company. Pursuant to Rule 14A.54 of the Listing Rules, any connected person and any Shareholder and its associates with a material interest (other than by virtue of being a Shareholder) in the Management Agreement are required to abstain from voting at the SGM. Mr. Zhang and his associates are required to and will abstain from voting at the SGM.

The results of the voting will be announced in accordance with Rule 2.07C of the Listing Rules after the SGM.

RECOMMENDATION

The Directors are of the view that the Management Agreement including the Annual Caps is on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM.

The Independent Board Committee, having taken into account the advice from Guangdong Securities considers that (i) the terms of the Management Agreement including the Annual Caps are on normal commercial terms and are fair and reasonable so far as the Company and the Independent Shareholders are concerned; and (ii) the entering into of the Management Agreement including the Annual Caps is in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Management Agreement including the Annual Caps.

Your attention is drawn to the letter from the Independent Board Committee set out on page 13 of this circular and the letter of advice from Guangdong Securities to the Independent Board Committee and Independent Shareholders in connection with the Management Agreement including the Annual Caps and the principal factors and reasons considered by them in arriving such advice set out on pages 14 to 23 of this circular.

Yours faithfully,
For and on behalf of
Fulbond Holdings Limited
Zhang Xi
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



Fulbond Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1041)

20 December 2010

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION

We refer to the circular of the Company to the Shareholders dated 20 December 2010 (the “**Circular**”), in which this letter forms part. Unless the context requires otherwise, capitalized terms used in this letter shall have the same meanings as given to them in the section headed “Definitions” of the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Management Agreement including the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned.

Having taken into account the advice from Guangdong Securities, the Independent Financial Adviser, and in particular the principal factors set out in the letter from Guangdong Securities, we consider that the terms of the Management Agreement including the Annual Caps are on normal commercial terms and are fair and reasonable so far as the Company and the Independent Shareholders are concerned. We also consider that the entering into of the Management Agreement including the Annual Caps is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Management Agreement including the Annual Caps.

The letter from Guangdong Securities containing its recommendations to us and the principal factors and reasons taken into account by Guangdong Securities in arriving at such recommendations is set out on pages 14 to 23 of this Circular.

Yours faithfully,

The Independent Board Committee of

Fulbond Holdings Limited

Hong Po Kui, Martin, Yu Pan, Ma Yin Fan and Leung Hoi Ying

Independent non-executive Directors

LETTER FROM GUANGDONG SECURITIES

Set out below is the text of a letter received from Guangdong Securities, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Management Agreement and the transactions contemplated thereunder for the purpose of inclusion in this circular.



Units 2505-06, 25/F.
Low Block of Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

20 December 2010

*To: The independent board committee and the independent shareholders
of Fulbond Holdings Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Management Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 20 December 2010 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

The Board announced on 29 November 2010 that on even date, Allywing and the Manager entered into the Management Agreement pursuant to which the Manager agreed to provide professional management and consultancy services to Allywing in relation to the Property Project. The management fee to be paid by Allywing to the Manager under the Management Agreement is HK\$50,000,000 (the “**Management Fee**”).

The term of the Management Agreement is estimated to be five years from the commencement of the Management Agreement upon approval of the Management Agreement (including the Annual Caps) by the Independent Shareholders at the SGM.

LETTER FROM GUANGDONG SECURITIES

According to the Board Letter, the entering into of the Management Agreement between Allywing and the Manager constitutes a non-exempt continuing connected transaction for the Company under Chapter 14A of the Listing Rules. The Management Agreement is therefore subject to, among other things, the Independent Shareholders' approval at the SGM. Save for Mr. Zhang and his associates, no Shareholder is required to abstain from voting on the resolution(s) to be proposed for approving the Management Agreement (including the Annual Caps) at the SGM.

An Independent Board Committee comprising Mr. Hong Po Kui, Martin, Ms. Ma Yin Fan, Mr. Yu Pan and Mr. Leung Hoi Ying (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Management Agreement (including the Annual Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the transactions contemplated under the Management Agreement are in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the relevant resolution(s) to approve the Management Agreement and the transactions contemplated thereunder, and the Annual Caps, at the SGM. We, Guangdong Securities Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

LETTER FROM GUANGDONG SECURITIES

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Good Base, Allywing, Xi'an Yuensheng, the Manager, Mr. Zhang and Ms. Zhang or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the entering into of the Management Agreement. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Guangdong Securities is to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Management Agreement and the transactions contemplated thereunder, we have taken into consideration the following principal factors and reasons:

(1) Background of the Management Agreement

The Board announced on 29 November 2010 that on even date, Allywing and the Manager entered into the Management Agreement pursuant to which the Manager agreed to provide professional management and consultancy services to Allywing in relation to the Property Project. The Management Fee under the Management Agreement is HK\$50,000,000.

The term of the Management Agreement is estimated to be five years from the commencement of the Management Agreement upon approval of the Management Agreement (including the Annual Caps) by the Independent Shareholders at the SGM.

Information on the Group

As referred to in the Board Letter, the Group is principally engaged in the business of manufacturing and sale of wooden products.

LETTER FROM GUANGDONG SECURITIES

Set out below are the financial information of the Group for the six months ended 30 June 2010 and the two years ended 31 December 2009 as extracted from the Company's interim report for the six months ended 30 June 2010 (the "2010 Interim Report") and its annual report for the year ended 31 December 2009:

	For the six months ended 30 June 2010 US\$'000 (unaudited)	For the year ended 31 December 2009 US\$'000 (audited)	For the year ended 31 December 2008 US\$'000 (audited)	% change from 2008 to 2009
Continuing operations				
Turnover	5,473	15,605	21,883	(28.69)
Gross profit/(loss)	(2,757)	1,832	4,306	(57.45)
Loss for the period/year from continuing operations	(59,402)	(51,737)	(12,107)	327.33
Discontinued operation				
Loss for the period/year from discontinued operation	(678)	(2,371)	(20,147)	(88.23)

As depicted from the above table, the Group's turnover as well as gross profit from continuing operations (being the timber business) for the year ended 31 December 2009 had been shrinking as compared to the year ended 31 December 2008. Moreover, the Group recorded a loss from continuing operations of approximately US\$51.74 million for the year ended 31 December 2009 which was mainly due to the net losses in fair values of derivative financial instruments and warrants of approximately US\$47.04 million. According to the 2010 Interim Report and as further confirmed by the Directors, the Group completed the disposal of its food processing and distribution business in January 2010 in view of the unsatisfactory performance of such business.

After the completion of the Acquisition, the Company, through Allywing, holds 60% equity interest in Xi'an Yuansheng which in turn possesses the land use and development rights of the Land situated at Weiyang District, Xi'an City, the PRC. According to the latest development proposal of the Land, the Land would be developed into more luxury residential and commercial area under the Property Project.

Information on the Manager

With reference to the Board Letter, the Manager is principally engaged in management service of investment, development, management of property and has engaged a management team with extensive experience in property development and management in the PRC.

(2) Reasons for the Management Agreement

As advised by the Directors, the continuous upward trend in the PRC real estate industry is backed up by rising prices and strong demand. The upward trend in the PRC property market is also evidenced by the growth of revenue from the sale of properties in the PRC.

As referred to in the Board Letter, the Directors consider that the Acquisition and the Property Project, which provides the Group the opportunity to participate in the real estate market in the PRC, will enable the Group to diversify its business into the property development sector, and provide positive contributions to the operation of the Group in long term.

While the Group believes that this is an opportune time to venture into the real estate market in the PRC to widen the Group's revenue streams in the future, the Directors are of the opinion that since the Group has been principally engaged in the business of manufacturing and sale of wooden products and the property development business is new to the Group, the Group requires a party to provide professional advice and assistance in management and control of the Property Project. Upon our enquiry, we understand from the Directors that the Company has tried to approach possible professional project management firms for provision of service in relation to the Property Project. In this regard, given that (i) the Company was unable to agree on the scope of service with the other professional project management firms; and (ii) the Directors are confident with the experience and professionalism of the Manager (for details of the personal profile of the team members of the Manager, please refer to the section headed "Reasons for entering into the Management Agreement" in the Board Letter), the Directors have decided to enter into the Management Agreement with the Manager for the provision of professional management and consultancy services to Allywing regarding the Property Project.

Having taken into account the above reasons for the Management Agreement, we consider that the entering into of the Management Agreement is conducted in the ordinary and usual course of business of the Company. In addition, since the Management Agreement would likely to facilitate and benefit the Group in managing the Property Project, we consider that the entering into of the Management Agreement is in the interests of the Company and the Shareholders as a whole.

(3) Principal terms of the Management Agreement

As confirmed by the Directors, the terms of the Management Agreement were negotiated and entered into on arm's length basis between the parties thereto and the Directors consider that the terms of the Management Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM GUANGDONG SECURITIES

The following table tabulates a summary of the major terms of the Management Agreement as extracted from the Board Letter:

Date:	29 November 2010
Parties:	Allywing The Manager
Management fee:	HK\$50,000,000, which will be settled by Allywing by three installments as follows: (i) first installment – HK\$23,000,000, being 46% of the total management fee and payable within 15 days after the effective date of the Management Agreement; (ii) second installment – HK\$13,500,000, being 27% of the total management fee and payable within 15 days after the issue of certificate of approval for presale of commodities premises (商品房預售許可證); and (iii) third installment – HK\$13,500,000, being 27% of the total management fee and payable within 15 days after issue of certificates of compliance confirming completion of all constructions works in the Property Project and settlement of accounts (which have been audited by independent third parties) with all contracting parties.
Term:	The term of the Management Agreement will commence upon approval of the Management Agreement (including the Annual Caps) by the Independent Shareholders at the SGM in accordance with the Listing Rules and be terminated upon issue of certificates of compliance confirming completion of all constructions works in the Property Project and settlement of accounts (which have been audited by independent third parties) with all contracting parties and the payment of last installment of the management fee by Allywing. The term is estimated to be five years from the commencement of the Management Agreement.
Subject:	The Manager agrees to provide Allywing with management and consultancy services for the Property Project. For details of the services to be provided, please refer to the section headed “Principal terms of the Management Agreement” of the Board Letter.

LETTER FROM GUANGDONG SECURITIES

As depicted above, the Management Fee is HK\$50,000,000, representing approximately 1.22% of the estimated construction fee of RMB3.5 billion of the Property Project. The Directors confirmed that the Management Fee was determined with reference to the duties and responsibilities under the Management Agreement, and the experiences and qualifications of the personnel of the Manager. Furthermore, the Management Fee was also set based on the Notice on “Administrative Regulations on Construction Projects Supervision and Related Service Charge” (Fa Gai Jia Ge [2007] No.670*) issued by PRC National Development and Reform Commission and Ministry of Construction in 2007 (國家發展和改革委員會及建設部文件 – 發改價格【2007】670號 - 國家發展改革委、建設部關於《建設工程監理與相關服務收費管理規定》的通知) (the “**Notice**”) (*Note: according to the Directors and the legal adviser of the Company, there had been no update to the Notice up to the Latest Practicable Date*). Although the Notice cannot be served as a direct guideline for the determination of the amount of the Management Fee, the Directors confirmed that since (i) the property development business is new to the Group; and (ii) the Company is unable to find any relevant official guideline or market comparables as reference for determination of the amount of the Management Fee, the Company set the Management Fee based on the Notice. In accordance with the relevant stipulation of the Notice, the fee being chargeable under the Management Agreement based on the size of the Property Project would be RMB43,400,000 (equivalent to approximately HK\$50,780,000), which is above the amount of the Management Fee. For this reason, the Directors are of the view that the amount of the Management Fee is justifiable.

In addition to the above, we noted from an announcement made by Greentown China Holdings Limited (stock code: 3900) on 9 October 2010 that the project management fee charged by a group company of Greentown China Holdings Limited for managing certain property development related projects represented 2% of the sales revenue. With this being the case, together with the basis of determination of the Management Fee as represented by the Directors as aforesaid, we concur with the Directors that the amount of the Management Fee is acceptable.

Regarding the term of the Management Agreement, we noted that the Management Agreement is of a term longer than three years as stipulated in Rule 14A.35(1) of the Listing Rules. We have therefore enquired into the Directors regarding the term of the Management Agreement of being five years from its date of commencement. The Directors advised us that based on the latest development proposal of the Land, the Property Project may take up to five years to complete depending on the construction progress. In this regard, the Directors further confirmed that the expertise of the Manager is crucial for the Group’s management of the Property Project given that the Group has only newly penetrated into the property development business. In light of that the purpose of the Management Agreement is to guarantee the provision of professional advice from the Manager throughout the entire development phase of the Property Project, the Directors consider that it is commercially desirable for the Company to fix the agreement

* for identification purpose only

LETTER FROM GUANGDONG SECURITIES

term of the Management Agreement to be the same as the expected time required for development of the Property Project.

According to the Directors, it is normal for residential and commercial development projects of similar scale as the Property Project in the PRC to take several years to complete. We have obtained a copy of the latest development proposal of the Land from the Company for our due diligence purpose. We have also (i) independently searched over the internet; and (ii) discussed with the property valuer for the Acquisition to obtain information in relation to the time required for construction and development of residential and commercial properties in the PRC, and we found that the time schedule for property development project is highly dependent on various factors, including but not limited to government policies and the property market sentiment. Nevertheless, the results of our search over the internet and discussion with the valuer generally conform with the Directors' representation that it is normal for residential and commercial development projects in the PRC to take several years to complete.

In light of the foregoing, we concur with the Directors that the existing term of the Management Agreement is justifiable, and it is normal business practice for contracts of this type to be of such duration.

Furthermore, under the Management Agreement, the Manager shall be responsible for Allywing's financial loss if (i) construction works are delayed; and (ii) the Manager is default in performing its duties pursuant to the Management Agreement. The amount of compensation payable by the Manager thereby will be subject to negotiation between the parties thereto, but in any event not more than the management fee (after deduction of tax) payable by Allywing. In the event that the Manager defaults in submitting to Allywing any plan, meeting record, management report (in electronic format) or examination report on time pursuant to the Management Agreement, the Manager shall pay to Allywing a penalty fee being equivalent to 0.05% of such installment of management fee per day (i.e. penalty fee = days of default x installment of management fee x 0.05%).

We are of the view that the above arrangements may safeguard the interest of the Company if there are any delays in the construction works or default of the Manager in performing its duties and responsibilities.

Further information of the major terms of the Management Agreement is set out in the section headed "The Management Agreement" of the Board Letter. We have also reviewed and consulted the legal adviser to the Company regarding those major terms of the Management Agreement. To the best of our knowledge and based on the representation of the legal adviser to the Company, the major terms of the Management Agreement are not uncommon. As such, we are of the view that the terms of the Management Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM GUANGDONG SECURITIES

(4) Basis of the Annual Caps

The estimated Annual Caps for the continuing connected transactions for the period ending 31 December 2011, the four financial years ending 31 December 2015 and the five months ending 31 May 2016 are as follows:

	For the period ending 31 December 2011	For the financial year ending 31 December 2012	For the financial year ending 31 December 2013	For the financial year ending 31 December 2014	For the financial year ending 31 December 2015	For the five months ending 31 May 2016
Annual Caps	HK\$36,500,000	HK\$27,000,000	HK\$27,000,000	HK\$27,000,000	HK\$27,000,000	HK\$27,000,000

In assessing the fairness and reasonableness of the Annual Caps, we have discussed with the Directors regarding the basis and assumptions underlying the computation of the Annual Caps. As confirmed by the Directors, the estimated Annual Cap of HK\$36,500,000 for the period ending 31 December 2011 was determined with reference to the first installment of the management fee at the sum of HK\$23,000,000 payable by Allywing within 15 days after the effective date of the Management Agreement together with the second installment at the sum of HK\$13,500,000 payable by Allywing in the event that the Second Installment Condition is fulfilled; whereas the estimated Annual Caps of HK\$27,000,000 for the four financial years ending 31 December 2015 and the five months ending 31 May 2016 were determined with reference to the second installment of the management fee at the sum of HK\$13,500,000 and the third installment of the management fee at the sum of HK\$13,500,000 payable by Allywing in the event that the Second Installment Condition and the Third Installment Condition are fulfilled respectively. In view of that the Annual Caps were determined based on the payment arrangement under the Management Agreement as well as the possible development schedule of the Property Project, we consider that the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned.

(5) Listing Rules implication and internal control of the Group

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.37 to 14A.41 of the Listing Rules pursuant to which (i) the values of the transactions contemplated under the Management Agreement must be restricted by the Annual Caps for the period ending 31 December 2011, the four financial years ending 31 December 2015 and the five months ending 31 May 2016; (ii) the terms of the Management Agreement (including the Annual Caps) must be reviewed by the independent non-executive Directors annually; (iii) details of the independent non-executive Directors' annual review on the terms of the Management Agreement (including the Annual Caps) must be included in the Company's subsequent published annual reports and financial accounts. Moreover, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, that

LETTER FROM GUANGDONG SECURITIES

the transactions contemplated under the Management Agreement are carried out in accordance with the relevant agreement governing the transactions, and the Annual Caps are not being exceeded. In the event that the total amount of the transactions contemplated under the Management Agreement exceeds the Annual Caps, or that there is any material amendment to the terms of the Management Agreement, the Company, as confirmed by the Directors, shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

With the stipulation of the above requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the transactions contemplated under the Management Agreement (including the Annual Caps) and hence the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having considered the above factors and reasons, we are of the opinion that (i) the terms of the Management Agreement (including the Annual Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the transactions contemplated under the Management Agreement, which are conducted in the ordinary and usual course of business of the Company, are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the SGM to approve the Management Agreement and the transactions contemplated thereunder, and the Annual Caps, and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Guangdong Securities Limited
Graham Lam
Managing Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Name of Director	Nature of interests	Number of Shares (Long position)	Number of underlying Shares in respect of the Share Options granted under the Share Option Scheme	Percentage of shareholding (approximate)
Mr. Zhang Xi	Beneficial interests	1,592,826,000	91,617,000	3.69%
Ms. Catherine Chen	Beneficial interests	–	91,617,000	0.20%

All the interests disclosed above represent long position in the shares or underlying shares of the Company.

Note: The Share Options were granted to Mr. Zhang Xi and Ms. Catherine Chen to subscribe for Shares pursuant to the Share Option Scheme. The Share Options were exercisable at HK\$0.041 per Share and will expire on 13 July 2011.

Saved as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interest or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

(b) Substantial Shareholders' interests

As at the Latest Practicable Date, so far as is known to the Directors and the chief executives of the Company, the following parties, other than the Directors or chief executives of the Company, had interests and short positions in the Shares or 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 and as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding
Wong Hip Keung	Beneficial owner	3,500,000,000	7.66%
Wong Lai Hop	Beneficial owner	3,105,000,000	6.80%
Chau Lai Him	Beneficial owner	4,000,000,000	8.76%
Ho Kam Hung	Beneficial owner	3,000,000,000	6.57%
Ng Leung Ho	Beneficial owner	6,000,000,000	13.14%
So Chi Ming	Beneficial owner	10,000,000,000	21.90%

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any persons (other than the Directors or the chief executives of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, there is no existing or proposed service contract between any of the Directors and any member of the Group other than service contracts that are expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

4. INTERESTS IN CONTRACT OR ARRANGEMENT

Save for the interests of Mr. Zhang in the Management Agreement, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

5. INTERESTS IN ASSETS

None of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2009, the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

6. DIRECTORS' INTEREST IN COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or any of their respective associates had any business or interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2009, being the date to which the latest audited consolidated financial statements of the Group were made up.

8. QUALIFICATIONS OF EXPERT

The following are the qualifications of the professional adviser who has given opinions or advice contained in this circular:

Name	Qualifications
Guangdong Securities	a licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO

The letter from Guangdong Securities is given as of the date of this circular for incorporation in this circular.

9. CONSENTS

Guangdong Securities has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, Guangdong Securities did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Guangdong Securities did not have any direct or indirect interest in any assets which have been, since 31 December 2009, the date of which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. CORPORATE INFORMATION

- (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 Unit 2807, 28th Floor, The Center, 99 Queen's Road Central, Central, Hong Kong.
- (b) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) The company secretary of the Company is Mr. Chow Kim Hang, who is a practicing solicitor in Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Management Agreement will be available for inspection at the office of the Company at Unit 2807, 28th Floor, The Center, 99 Queen's Road Central, Central, Hong Kong during normal business hours from the date of this circular up to and including the date of the SGM.

NOTICE OF SPECIAL GENERAL MEETING



Fulbond Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1041)

NOTICE IS HEREBY GIVEN that a special general meeting of Fulbond Holdings Limited (the “Company”) will be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 6 January 2011 at 11:00 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (i) the agreement dated 29 November 2010 (“Management Agreement”, a copy of which has been produced to this meeting and marked “A” and signed by the chairman of the meeting for the purpose of identification) entered into between Allywing Investments Limited (“Allywing”), a wholly owned subsidiary of the Company and Harvest Day Limited (the “Manager”) for the period as more particularly set out in the circular dated 20 December 2010 of the Company (the “Circular”) and all transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (ii) the annual caps of management fees payable by Allywing to the Manager pursuant to the Management Agreement for the period ending 31 December 2011, the financial years of the Group ending 31 December 2012, 31 December 2013, 31 December 2014, 31 December 2015 and the five months ending 31 May 2016 respectively as shown in the Circular be and are hereby approved; and
- (iii) the directors of the Company be and are hereby authorized to take any step as they consider necessary, desirable or expedient in connection with the Management Agreement and the transactions contemplated thereunder.”

By Order of the Board
Fulbond Holdings Limited
Zhang Xi
Chairman

Hong Kong, 20 December 2010

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the SGM convened by the notice of SGM is entitled to appoint one proxy or more proxies to attend and, on a poll, vote instead of him at the SGM. A proxy need not be a member of the Company.
2. To be valid, a form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof.
3. In the case of joint holders of any Share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders are present at the meeting personally or by proxy, then one of the said persons so present whose name stands first on the register in respect of such Share shall alone be entitled to vote in respect thereof.
4. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM in person should you so wish.

As at the date of this notice, the Board comprises seven executive Directors, namely Mr. Zhang Xi, Ms. Catherine Chen, Mr. Chiu Kong, Mr. Yeung Kwok Yu, Mr. Lee Sun Man, Mr. Kwan Kam Hung, Jimmy and Mr. Wah Wang Kei, Jackie; and four independent non-executive Directors, namely Mr. Hong Po Kui, Martin, Mr. Yu Pan, Ms. Ma Yin Fan and Mr. Leung Hoi Ying.