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Fulbond Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1041)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement dated 29 February 2008 made by the Company in respect of the issue of the Convertible Note and the Acquisition (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context otherwise required.

The Company would like to clarify that the existing general mandate of the Company is sufficient to cover the Shares which may fall to be allotted and issued upon exercise of the conversion rights attached to the Convertible Note. Therefore, the Company will only seek the grant of a specific mandate at the SGM for the allotment and issue of the Shares which may fall to be allotted and issued upon the exercise of the conversion rights attached to the SPA Convertible Note and will not seek for a specific mandate for the Shares which may fall to be allotted and issued upon exercise of the conversion rights attached to the Convertible Note.

Reference is made to the announcement dated 29 February 2008 made by the Company in respect of the issue of the Convertible Note and the Acquisition (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context otherwise required.

As disclosed in the Announcement, a specific mandate would be sought at the SGM for the allotment and issue of the Shares which may fall to be allotted and issued upon the exercise of the conversion rights attached to both the Convertible Note and the SPA Convertible Note. The Company has inadvertently made an error in stating that the existing general mandate is insufficient to cover Shares which may fall to be allotted and issued upon exercise of the conversion rights attached to the Convertible Note and the SPA Convertible Note. The Company would like to clarify that the existing general mandate of the Company is in fact sufficient to cover the Shares which may fall to be allotted and issued upon exercise of the conversion rights attached to the Convertible Note. Therefore, the Company will only seek the grant of a specific mandate at the SGM for the allotment and issue of the Shares which may fall to be allotted and issued upon the exercise of the conversion rights attached to the SPA Convertible Note and will not seek for a specific mandate for the Shares which may fall to be allotted and issued upon exercise

of the conversion rights attached to the Convertible Note. It follows that the issue of the Convertible Note does not require Shareholders' approval, since the existing mandate is sufficient and it is not a transaction for which Shareholders' approval is required under the Listing Rules.

Details of the relevant information require clarification and amendments in the Announcement are as follows:–

CONDITIONS OF THE SUBSCRIPTION AGREEMENT

The last two paragraphs under the section headed “Conditions of the Subscription Agreement” as disclosed on page 5 of the Announcement shall be deleted in its entirety and replaced with the following:

“The Subscription Agreement contains a warranty that the Board shall have sufficient mandate to issue the Conversion Shares and it is a condition to the Subscription Agreement that all warranties shall remain true and accurate in all material aspects. In the event that the conditions are not fulfilled on or before 30 April 2008 or such later date as may be agreed between the Subscriber and the Company, the Subscription Agreement will lapse and become null and void and the parties shall be released from all obligations thereunder, save for the liabilities for any antecedent breaches thereof.

The Conversion Shares to be issued upon the exercise of the conversion rights attached to the Convertible Note will be allotted and issued under the existing general mandate of the Company granted by the Shareholders at the annual general meeting of the Company held on 22 May 2007 (the “**General Mandate**”), under which up to 20% of the aggregate nominal amount of the share capital of the Company in issue on that date can be allotted and issued.

On 21 January 2008, the Company utilized approximately 81.54% of the General Mandate to cover the new Shares to be allotted and issued upon the full exercise of the subscription rights attaching to the Warrants.

As at the date of this announcement, approximately 18.46% of the General Mandate is not yet utilized which is sufficient to cover the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attached to the Convertible Note.”

SPECIFIC MANDATE TO ISSUE THE SPA CONVERTIBLE NOTE

The paragraph headed “SPECIFIC MANDATE TO ISSUE THE CONVERTIBLE NOTE AND THE SPA CONVERTIBLE NOTE” as disclosed on page 13 of the Announcement shall be deleted in its entirety and replaced with the following:

“SPECIFIC MANDATE TO ISSUE THE SPA CONVERTIBLE NOTE

As the General Mandate is insufficient to cover Shares which may fall to be allotted and issued upon exercise of the conversion rights attached to the SPA Convertible Note, the Directors consider it is reasonable and in the interest of the Company and its Shareholders as a whole to put forward a resolution to the SGM to approve the grant of a specific mandate to allot and issue Shares to satisfy the said Shares to be allotted and issued. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting for the approval of the grant of specific mandate. Such specific mandate is proposed to be granted to the Directors by the Shareholders to issue not more than 1,406,976,744 new Shares, representing approximately 15.30% of the issued share capital of the existing issued share capital of the Company and approximately 13.21% of the enlarged issued share capital of the Company upon the full conversion the SPA Convertible Note.”

CHANGES OF SHAREHOLDING STRUCTURE

The shareholding structure of the Company as disclosed on page 13 of the Announcement shall be deleted in its entirety and replaced with the following:

Shareholders	As at the date of this announcement		Upon full conversion of the Convertible Note		Upon full conversion of the SPA Convertible Note		Upon the full exercise of the subscription rights attaching to the Warrants		Upon full conversion of the Convertible Note and the SPA Convertible Note and the full exercise of the subscription rights attaching to the Warrants	
	Number of Shares held	Approximate shareholding percentage	Number of Shares held	Approximate shareholding percentage	Number of Shares held	Approximate shareholding percentage	Number of Shares held	Approximate shareholding percentage	Number of Shares held	Approximate shareholding percentage
	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%
Zhang Xi (Note 1)	2,792,826,000	30.36	2,792,826,000	29.3	2,792,826,000	26.34	2,792,826,000	26.11	2,792,826,000	22.45
Public Shareholders										
– Subscriber/Vendor	–	–	335,581,395	3.52	1,406,976,744	13.27	–	–	1,742,558,139	14.01
– Placees of Warrants (Note 2)	–	–	–	–	–	–	1,500,000,000	14.02	1,500,000,000	12.06
– Other public shareholders	6,404,953,755	69.64	6,404,953,755	67.18	6,404,953,755	60.40	6,404,953,755	59.87	6,404,953,755	51.48
Total	<u>9,197,779,755</u>	<u>100.00</u>	<u>9,533,361,150</u>	<u>100.00</u>	<u>10,604,756,499</u>	<u>100.00</u>	<u>10,697,779,755</u>	<u>100.00</u>	<u>12,440,337,894</u>	<u>100.00</u>

Note 1:

Mr. Zhang Xi, an executive Director, is the beneficial owner of 2,792,826,000 Shares. He is deemed to be interested in those Shares which are held by Civil Talent International Limited, the entire issued share capital of which is beneficially owned by him.

Note 2:

The Board refers to the announcement of the Company dated 27 December 2007 in relation to the issue and placing of up to 1,839,000,000 unlisted warrants by the Company. As the placing was done on a best effort basis by the placing agent, only 1,500,000,000 unlisted warrants were placed. Therefore, only 1,500,000,000 unlisted warrants were issued on 21 January 2008, being the completion date for the placing.

FUND RAISING EXERCISE BY THE COMPANY IN THE PAST TWELVE MONTHS

The table which summaries the fund raising activity of the Group for the 12 months immediately preceding the date of the Announcement shall be deleted in its entirety and replaced with the following:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
27 December 2007	Issue and placing of the Warrants	Approximately HK\$1.3 million; An additional amount of HK\$111,000,000 will be raised upon the full exercise of the Warrants	(i) as to approximately HK\$1.3 million towards the general working capital of the Group (ii) as to approximately HK\$111,000,000 towards the general working capital of the Group and as funds for future development of the existing businesses of the Group and other business when investment opportunities arise	(i) As intended (ii) As intended

DEFINITIONS

The definition of “Warrants” as disclosed on page 18 of the Announcement shall be deleted in its entirety and replaced with “the 1,500,000,000 unlisted warrants issued by the Company at the price of HK\$0.001 per unit, each entitles the holder thereof to subscribe for one Share at the subscription price of HK\$0.074 per Share (subject to adjustment) at any time during a period of 30 months commencing from 21 January 2008”

The aforesaid errors were inadvertently made in the process of preparing the Announcement. Save as clarified above, the contents of the Announcement remain true and accurate.

By Order of the Board
FULBOND HOLDINGS LIMITED
Zhang Xi
Chairman

Hong Kong, 13 March 2008

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Zhang Xi, Ms. Zhang Huafang, Mr. Cai Duanhong and Ms. Catherine Chen and three independent non-executive Directors, namely Mr. Hong Po Kui, Martin, Mr. Yam Tak Fai, Ronald and Mr. Wong Man Hin, Raymond