
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 stockbroker or other 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.

This circular is for information purposes only and does not constitute an invitation or offer to acquire purchase or subscribe for any securities.

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Fulbond Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1041)

**(1) DISCLOSEABLE TRANSACTION –
ACQUISITION OF SHARES IN PROWEALTH HOLDINGS GROUP LIMITED
AND ISSUE OF SPA CONVERTIBLE NOTE
AND
(2) SPECIFIC MANDATE TO ISSUE NEW SHARES**

A letter from the board of directors of the Company is set out on pages 5 to 17 of this circular.

A notice convening the SGM (as defined in this circular) to be held at Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong, on Thursday, 8 May 2008 at 11:00 a.m. is set out on pages 23 to 24 of this circular. Whether or not you are able to attend the SGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrars and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event, not less than 48 hours before the time appointed for holding the SGM or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

22 April 2008

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DEFINITIONS

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

“Accounts”	the audited consolidated accounts of Prowealth Group comprising (inter alia) the audited consolidated balance sheet as at 31 December 2007 and the audited consolidated profit and loss account for the period ended on 31 December 2007, the notes and the reports of the directors and auditors on such accounts
“Acquisition”	the acquisition of the Sale Shares by the Purchaser
“Agreement”	the agreement relating to the sale and purchase of the Sale Shares entered into between the Purchaser, the Company, the Vendor and the Vendor’s Guarantor on 22 February 2008, as amended and supplemented by the Supplemental Deed
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (not being a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“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
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration for the Acquisition pursuant to the Agreement
“Convertible Note”	the convertible note with an aggregate principal amount of US\$3,700,000 due on demand issued by the Company to the Subscriber on 9 April 2008 pursuant to the Subscription Agreement

DEFINITIONS

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hainan Jiadexin”	海南佳德信食品有限公司 (Hainan Jiadexin Foodstuff Company Limited), a company incorporated with limited liability in the PRC which is 100% owned by Prowealth through its wholly owned subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK GAAP”	generally accepted accounting principles in Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party”	third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company
“Latest Practicable Date”	21 April 2008, being the latest practicable date for the purpose of ascertaining certain information of this circular before its printing
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Maoming Changxing”	茂名長興食品有限公司 (Maoming Changxing Foods Company Limited), a company incorporated with limited liability in the PRC which is 100% owned by Prowealth through its wholly owned subsidiaries
“PRC”	the People’s Republic of China and for the purpose of this circular excluding Hong Kong
“Prowealth”	Prowealth Holdings Group Limited, a BVI incorporated company limited by shares
“Prowealth Group”	Prowealth and its subsidiaries
“Purchaser”	Fulbond Investments Limited, a wholly owned subsidiary of the Company
“Sale Shares”	such number of issued ordinary shares of US\$1.00 each in the capital of Prowealth comprising 20% of the entire enlarged issued share capital of Prowealth as at the date of Completion

DEFINITIONS

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	a special general meeting of the Company to be held on 8 May 2008 to consider the ordinary resolution to be proposed to approve, among other things, the grant of a specific mandate
“Share(s)”	the ordinary shares of US\$0.001 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SPA Conversion Shares”	the Shares to be issued by the Company upon exercise of the conversion rights attached to the SPA Convertible Note
“SPA Convertible Note”	the secured convertible note with an aggregate principal amount of HK\$121,000,000 due on demand, to be issued by the Company to the Purchaser pursuant to the Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the conditional subscription agreement dated 22 February 2008 entered into between the Company and the Subscriber in respect of the subscription of the Convertible Note with an aggregate principal amount of US\$3,700,000 by the Subscriber, details of which have been announced in the announcements of the Company dated 29 February 2008 and 13 March 2008 respectively
“Supplemental Deed”	the supplemental deed dated 27 February 2008 entered into between the Purchaser, the Company, the Vendor and the Vendor’s Guarantor supplemental to the Agreement
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor” or “Subscriber”	Sun Boom Limited, a company incorporated in the BVI, being the vendor to the Agreement and the subscriber to the Subscription Agreement
“Vendor’s Guarantor”	Ajia Partners Special Situations Fund I LP

DEFINITIONS

“Warrants”	up to 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 date of issue of the Warrants
“Yield On”	Yield On International Limited (裕安國際有限公司), a company incorporated on 26 April 2006 with limited liability in Hong Kong which is wholly owned by Prowealth
“%”	per cent.

Unless otherwise specified in this circular and for illustration purpose only, translations of US\$ into HK\$ are made in this circular at the rate of US\$1.00 to HK\$7.80.

LETTER FROM THE BOARD



福 邦 控 股

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 in Hong Kong:
Unit 2805, 28th Floor
The Center
99 Queen's Road Central
Central
Hong Kong

22 April 2008

To the Shareholders

Dear Sir or Madam,

**(1) DISCLOSEABLE TRANSACTION –
ACQUISITION OF SHARES IN PROWEALTH HOLDINGS GROUP LIMITED
AND ISSUE OF SPA CONVERTIBLE NOTE
AND
(2) SPECIFIC MANDATE TO ISSUE NEW SHARES**

INTRODUCTION

Reference is made to the announcements of the Company dated 29 February 2008 and 13 March 2008 respectively in relation to, inter alia, the Agreement dated 22 February 2008 and Supplemental Deed dated 27 February 2008 pursuant to which the Purchaser (a wholly owned subsidiary of the Company) agreed to purchase and the Vendor agreed to sell the Sale Shares at the consideration of HK\$121,000,000 to be satisfied by the issue of SPA Convertible Note by the Company to the Vendor.

Reference is also made to the announcements of the Company dated 18 March 2008 and 11 April 2008 in relation to the delay in despatch of this circular.

LETTER FROM THE BOARD

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

The purpose of this circular to give you details of the Acquisition and issue of SPA Convertible Note and the notice of the SGM at which the ordinary resolution will be proposed to consider and, if thought fit, approve, among others, the grant of a specific mandate.

THE ACQUISITION OF SHARES IN PROWEALTH AND ISSUE OF SPA CONVERTIBLE NOTE

Agreement dated 22 February 2008 and Supplemental Deed dated 27 February 2008

Parties:	(i) Vendor:	Sun Boom Limited
	(ii) Purchaser:	Fulbond Investments Limited, a wholly-owned subsidiary of the Company
	(iii) Vendor's Guarantor:	Ajia Partners Special Situations Fund ILP
	(iv) Purchaser's Guarantor:	Fulbond Holdings Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and the Vendor's Guarantor and their ultimate beneficial owners are Independent Third Parties.

Assets to be acquired

The Sale Shares, representing 20% of the entire enlarged issued share capital of Prowealth as at the date of Completion.

Consideration

The total consideration for the Acquisition is HK\$121,000,000. The Consideration will be satisfied by the Purchaser procuring the Company to issue the SPA Convertible Note in such principal amount to the Vendor or its nominee on Completion. The Consideration has been arrived at after arm's length negotiation between the Company and the Vendor with reference to (i) the consolidated unaudited net profit of Prowealth Group for the 4 months ended 31 December 2007 of approximately HK\$14.4 million; (ii) the future business prospects of the Prowealth Group, and (iii) the future prospect of the seafood processing industry.

Principal term of the SPA Convertible Note

Principal amount of the SPA Convertible Note

HK\$121,000,000

LETTER FROM THE BOARD

Interest

The SPA Convertible Note shall bear interest at the rate of 6.00% per annum on the outstanding principal amount of the SPA Convertible Note from its date of issue to the date of maturity of the SPA Convertible Note. Interest will be payable semi-annually in arrears.

Conversion Price

The conversion price of the SPA Convertible Note is HK\$0.086 per share to be issued upon conversion of the SPA Convertible Note, which is subject to the usual anti-dilution adjustments, in certain events such as share consolidation, share subdivision, capitalisation issue, capital distribution, rights issue and other equity or equity derivatives issues.

The conversion price of the SPA Convertible Note represents:

- (a) a discount of approximately 19.63% to the closing price of HK\$0.107 per Share as quoted on the Stock Exchange on 21 February 2008, being the last trading day immediately before the entering into of the Agreement;
- (b) a discount of approximately 6.52% to the average closing price of HK\$0.092 per share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 21 February 2008, being the last trading day immediately before the entering into of the Agreement; and
- (c) a discount of approximately 10.54% to the average closing price of HK\$0.0778 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 21 April 2008, being the Latest Practicable Date.

The conversion price of the SPA Convertible Note was determined by the amount of the Consideration and the number of Shares to be issued and allotted to the Vendor when the SPA Convertible Note is converted, and was arrived at after arm's length negotiations between the Purchaser and the Vendor with reference to the closing prices as shown in (a) and (b) above. The Directors consider that the conversion price of the SPA Convertible Note is fair and reasonable.

Conversion period

The SPA Convertible Note may be converted, at the option of the Vendor, at any time from the date of issue of the SPA Convertible Note up to and including the date which is immediately prior to the date of maturity of the SPA Convertible Note.

Conversion Shares

The SPA Convertible Note may be converted in the principal amount of HK\$24,200,000, representing 20% of the principal amount of the SPA Convertible Note, or its integral multiples.

LETTER FROM THE BOARD

Upon the conversion of the SPA Convertible Note in full at the conversion price of the SPA Convertible Note, an aggregate of 1,406,976,744 new Shares, representing approximately 15.30% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 13.27% of the issued share capital of the Company as enlarged by the SPA Conversion Shares, will be allotted and issued to the Vendor.

The SPA Conversion Shares falling to be allotted and issued on the conversion of the SPA Convertible Note, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the SPA Conversion Shares.

Maturity

The SPA Convertible Note will mature on the date falling 24 months from the date of issue of the SPA Convertible Note.

Unless previously converted or an earlier demand for repayment is made by the holder of the SPA Convertible Note, the Company will repay the principal amount outstanding under the SPA Convertible Note together with all interests accrued thereon up to and including the date of repayment, on the date of maturity of the SPA Convertible Note. Demand for early repayment of the SPA Convertible Note can be made by the holder at any time prior to the maturity date of the SPA Convertible Note. The Company shall at any time upon written demand by such holder within 1 month from the date of receipt of such written demand repay the outstanding principal amount of the SPA Convertible Note together with interests accrued thereon in full to the holder.

Transferability

No assignment or transfer of the SPA Convertible Note shall be permitted save with the prior written consent of the Company.

Voting

The Vendor will not be entitled to attend or vote at any meetings of the Company by reason only of it being the holder of the SPA Convertible Note.

Security

The obligations of the Company arising under the SPA Convertible Note will be secured by the Sale Shares.

Listing

No application will be made for the approval for the listing of, and permission to deal in, the SPA Convertible Note on the Stock Exchange or other recognised stock exchange. Application will be made by the Company to the Listing Committee of the Stock Exchange for the approval for the listing of, and permission to deal in, the Shares that may be allotted and issued upon conversion of the SPA Convertible Note.

LETTER FROM THE BOARD

Conditions precedent

Completion of the Agreement is subject to the fulfilment of the following conditions:

1. the Purchaser, being satisfied, at its absolute discretion, with the results of the due diligence review to be conducted by the Purchaser on the Prowealth Group;
2. the Vendor, be satisfied, at its absolute discretion, with the results of the due diligence review to be conducted by the Vendor on the Group;
3. the Purchaser having obtained and being satisfied with legal opinions (in the form and substance reasonably satisfactory to the Purchaser) addressed to the Purchaser:
 - (a) by qualified lawyers in the PRC covering (i) matters relating to Prowealth's subsidiaries incorporated in the PRC (the "**PRC Subsidiaries**") (including but not limited to the due and proper incorporation and good standing of the PRC Subsidiaries under the laws of the PRC); (ii) the power, authority and legal right of Prowealth to indirectly own its equity interests in the PRC Subsidiaries; (iii) the validity of all necessary consents, authorisations, licences and approvals in relation to the PRC Subsidiaries including but not limited to the business licence and approval certificate of the PRC Subsidiaries as a wholly-foreign-owned enterprise of the Prowealth Group; (iv) the good title to and right to occupy the properties owned and leased by any member of the Prowealth Group in the PRC; and (v) any other matter relating to the PRC Subsidiaries as reasonably require by the Purchaser;
 - (b) by qualified lawyers in Hong Kong covering (i) matters relating to Prowealth's subsidiaries incorporated in Hong Kong (the "**HK Subsidiaries**") (including but not limited to the due incorporation and good standing of the HK Subsidiaries); (ii) the power, authority and legal right of Prowealth to own its equity interests in the HK Subsidiaries; (iii) the validity of all necessary consents, authorisations, licences and approvals in relation to the HK Subsidiaries; (iv) the good title to and right to occupy the properties owned and leased by any member of the Prowealth Group in Hong Kong (if any); and (v) any other matter relating to the HK Subsidiaries as reasonably require by the Purchaser; and
 - (c) by qualified lawyers in BVI covering (i) matters relating to Prowealth's subsidiaries incorporated in BVI (the "**BVI Subsidiaries**") (including but not limited to the due incorporation and good standing of the BVI Subsidiaries); (ii) the power, authority and legal right of Prowealth to own its equity interests in the BVI Subsidiaries; (iii) the validity of all necessary consents, authorisations, licences and approvals in relation to the BVI Subsidiaries; (iv) the good title to and right to occupy any properties owned and leased by any member of the Prowealth Group in BVI (if any); and (v) any other matter relating to the BVI Subsidiaries as reasonably require by the Purchaser;

LETTER FROM THE BOARD

4. the delivery by the Purchaser to the Vendor of legal opinions on matters of Bermuda, BVI and Hong Kong law confirming the validity and enforceability of the documents including the note instrument, note certificate and the note security document in relation to the SPA Convertible Note and the due authorization of the Company to issue the SPA Conversion Shares, such opinions to be addressed to the Vendor and issued by qualified counsels in the relevant jurisdictions acceptable to the Vendor and in form and substance reasonably satisfactory to the Vendor;
5. the delivery by the Vendor to the Purchaser of a copy of the Accounts (certified as a true and complete copy by a director of Prowealth);
6. the passing of the relevant resolutions at the SGM for approving, among others, the specific mandate to issue and allot securities;
7. the listing of, and permission to deal in, the SPA Conversion Shares on the main board of the Stock Exchange having been granted by the Listing Committee of the Stock Exchange;
8. between the date of the Agreement and the date of fulfilment or waiver of the last in time to be fulfilled of the conditions precedents (other than this condition), trading of the Shares on the main board of the Stock Exchange shall not have been suspended and no delisting of the Shares shall be pending or threatened save for (i) temporary suspension for no more than 20 consecutive trading days in relation to the clearance and issue of announcements or the circular of the Company pursuant to the Listing Rules or other regulatory requirements; or (ii) temporary suspension for no more than 10 consecutive trading days for other reasons;
9. all consents and acts required under the Listing Rules being obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules and requirements having been obtained by the Company from the Stock Exchange;
10. all other necessary consents, authorisations, licences and approvals in relation to the Agreement and the transactions contemplated hereunder having been obtained from any relevant governmental or regulatory authorities or other relevant third parties by the relevant parties to the Agreement; and
11. as at the date of fulfilment or waiver of the last in time to be fulfilled of the following conditions (other than this condition):
 - (a) all the Vendor's warranties remain true and accurate in all material respects and not misleading in any material respect and no events or circumstances have occurred that would result in any breach of any of the Vendor's warranties or other provisions of the Agreement by the Vendor or the Vendor's Guarantor in any material respects;

LETTER FROM THE BOARD

- (b) no event or circumstance has arisen or is threatening to arise which would entitle the Purchaser to terminate or rescind the Agreement in accordance with its terms;
 - (c) all the Purchaser's warranties remain true and accurate in all material respects and not misleading in any material respect and no event or circumstance has arisen or is threatening to arise that would result in any breach of any of the Purchaser's warranties or other provisions of the Agreement by the Purchaser or the Company in any material respects; and
 - (d) no event or circumstance has arisen or is threatening to arise which would entitle the Vendor to terminate or rescind the Agreement in accordance with its terms;
12. Prowealth shall have complied with its obligations under the convertible bond held by the Vendor issued by Prowealth for the issue, allotment and delivery of new shares in Prowealth to the Vendor following the exercise by the Vendor of the conversion rights attaching to such convertible bond.

If the above conditions have not all been fulfilled or waived by the Company by 30 April 2008 or such other date as may be agreed in writing by the parties, the Company will not be obliged to complete the Acquisition under the Agreement. As at the Latest Practicable Date, all the conditions above have been fulfilled save and except conditions number 6, 7, 8, 9, 11 and 12.

Completion

Completion will take place on the third Business Day following the day on which the last of the outstanding conditions have been fulfilled or waived or such other date as is agreed in writing by the parties.

INFORMATION ON THE VENDOR AND PROWEALTH

The Vendor is an investment holding company incorporated in BVI holding a convertible bond convertible into issued shares of Prowealth. Under the convertible bond, upon exercise of conversion right attaching thereto, Prowealth is obliged to issue and deliver its new shares, credited as fully paid, to the Vendor within 5 Business Days. Such new shares in Prowealth will constitute the Sale Shares and at Completion, the Sale Shares will be transferred by the Vendor to the Purchaser in accordance with the terms of the Agreement. As at the Latest Practicable Date, the convertible bond has not been converted into issued shares of Prowealth. There is no other holder of the convertible bond of Prowealth apart from the Vendor. The Vendor's Guarantor, being a private equity fund, is the sole beneficial owner of the Vendor.

Prowealth is wholly owned by Wise Virtue Holdings Limited ("**Wise Virtue**"). Wise Virtue is a company incorporated in BVI on 12 April 2007. Wise Virtue has not conducted any business save for its investment holding of Prowealth since its date of incorporation and

LETTER FROM THE BOARD

no audited accounts of Wise Virtue have been prepared since then. Wise Virtue is wholly owned by Ms. Lam So Ying who is an Independent Third Party and has no relationship with the Vendor.

Prowealth is an investment holding company incorporated in BVI on 17 May 2007, which holds 100% equity interest in Yield On and through various intermediary subsidiaries holds 100% equity interest in Maoming Changxing and Hainan Jiadexin. Prowealth has not conducted any business save for its investment holding of Yield On, Maoming Changxing and Hainan Jiadexin since its date of incorporation and no audited accounts of Prowealth have been prepared since then. Yield On is a limited company incorporated in Hong Kong and is engaged in seafood trading business. Both Maoming Changxing and Hainan Jiadexin are limited companies established in the PRC and are principally engaged in seafood processing business in the PRC.

FINANCIAL INFORMATION OF THE PROWEALTH GROUP

As at 31 December 2007, the audited consolidated net asset value of Prowealth Group was approximately HK\$37 million.

The audited consolidated net profits before and after tax of the Prowealth Group for the financial year ended 31 December 2007 were approximately HK\$34 million. The Prowealth Group has adopted acquisition accounting for the consolidated accounts. The aforesaid net profits of the Prowealth Group only takes into account the post-acquisition profits of the member companies of the Prowealth Group (including Maoming Changxing and Hainan Jiadexin) for 4 months' results from September to December 2007 for consolidated accounts.

The audited financial information of the Prowealth Group has been prepared in accordance with the HKGAAP. Upon Completion, the Prowealth Group will be accounted for as an associate of the Company.

For information purpose, the unaudited net profits before tax of Maoming Changxing and Hainan Jiadexin for the financial year ended 31 December 2006 were approximately HK\$5.6 million and HK\$7.4 million respectively whereas their unaudited net profits before tax for the year ended 31 December 2007 were approximately HK\$10.3 million and HK\$6.8 million respectively. No profits tax provision was made for these subsidiaries during the year of 2006 and 2007 at subsidiaries level.

REASONS FOR THE ACQUISITION

The Group is principally engaged in the business of manufacturing and sale of wooden products, such as door skin and particle board products.

The Directors concluded that the Acquisition would provide the Group an opportunity to develop a new line of business in the food processing industry while continuing with its existing business.

LETTER FROM THE BOARD

The Directors (including independent non-executive Directors) believe that the terms of the Acquisition are fair and reasonable and in the interests of the Shareholders and the Company as a whole.

FINANCIAL EFFECT ON THE GROUP

The Acquisition has no significant effect on the earnings and assets and liabilities of the Company because it is expected that the Acquisition will not have any impact on the Group's net asset value upon Completion as any increase in assets will be offset by a corresponding increase in liabilities. The profit or loss of the Group includes the Group's share of the profit or loss of Prowealth Group and the results of the Prowealth Group will be equity accounted for by the Company upon Completion.

SPECIFIC MANDATE TO ISSUE THE CONVERTIBLE NOTE AND THE SPA CONVERTIBLE NOTE

As the existing general mandate is insufficient to cover the new 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 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 the SPA Conversion Shares. Shareholder with a material interest in the Acquisition or the SPA Convertible Note and his associates shall abstain from voting but 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 as at the Latest Practicable Date and approximately 13.27% of the issued share capital of the Company as enlarged by the issue of SPA Conversion Shares.

LETTER FROM THE BOARD

CHANGES OF SHAREHOLDING STRUCTURE

Upon full conversion of the SPA Convertible Note or the Convertible Note into Shares and the full exercise of the subscription rights attaching to the Warrants, assuming there would not be any adjustments to the price of conversion of the SPA Convertible Note and the Convertible Note and there would not be any allotment or issue of new Shares or share repurchase by the Company, the shareholding structure of the Company would be altered as follows:

Shareholders	As at the Latest Practicable Date		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
Zhang Xi (<i>Note</i>)	2,092,826,000	22.75	2,092,826,000	21.95	2,092,826,000	19.73	2,092,826,000	19.56	2,092,826,000	16.82
Public Shareholders										
– Subscriber	–	–	335,581,395	3.52	1,406,976,744	13.27	–	–	1,742,558,139	14.01
– Vendor	–	–	–	–	–	–	1,500,000,000	14.02	1,500,000,000	12.06
– Places of Warrants	–	–	–	–	–	–	–	–	–	–
– Other public shareholders	7,104,953,755	77.25	7,104,953,755	74.53	7,104,953,755	67.00	7,104,953,755	66.42	7,104,953,755	57.11
Total	9,197,779,755	100.00	9,533,361,150	100.00	10,604,756,499	100.00	10,697,779,755	100.00	12,440,337,894	100.00

Note: Mr. Zhang Xi, an executive Director, is the beneficial owner of 2,092,826,000 Shares. He is deemed to be interested in those Shares which are held by Civil Talent International Limited (“CTL”), the entire issued share capital of which is beneficially owned by him.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

The following table summaries the fund raising activities of the Group for the 12 months immediately preceding the Latest Practicable Date:

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
29 February 2008	Issue of Convertible Note	Approximately HK\$26,860,000	Towards the general working capital of the Group/or any suitable investment(s)	As intended

Save as disclosed above, no other fund raising activity has been carried out by the Group for the 12 months immediately prior to the date of this circular.

GENERAL

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

Upon full conversion of the SPA Convertible Note, the Vendor's interest in the Company will become 13.27%; whereas the effective interest in the Company owned by Mr. Zhang Xi, being the substantial shareholder and the executive director will change from approximately 22.75% to approximately 16.82% who will remain as the single largest Shareholder. The conversion of SPA Convertible Note will not result in a change of control of the Company.

SGM

A notice convening the SGM to be held at Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong, on Thursday, 8 May 2008 at 11:00 a.m. is set out on pages 23 to 24 of this circular.

LETTER FROM THE BOARD

ACTIONS TO BE TAKEN

A form of proxy for use by the Shareholders at the SGM is enclosed in this circular. Whether or not you are able to attend the SGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrars and transfer office of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event, not less than 48 hours before the time appointed for holding the SGM or any adjourned meeting. Such form of proxy for use at the SGM is also published on the website of the Stock Exchange at www.hkex.com.hk. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

A resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the designated stock exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (i) by the chairman of the meeting; or
- (ii) by at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (iv) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right; or
- (v) if required by the rules of the designated stock exchange by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing 5% or more of the total voting rights at such meeting.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the proposed grant of a specific mandate to allot and issue Shares which may fall to be allotted and issued upon exercise of the conversion rights attached to the SPA Convertible Note is reasonable and in the interests of the Company and its Shareholders as a whole and accordingly recommend all Shareholders to vote in favour of the resolution set out in the SGM notice. The Directors intend to vote in favour of the resolution in respect of their respective shareholdings in the Company, if any.

Yours faithfully
By Order of the Board
Fulbond Holdings Limited
Zhang Xi
Chairman

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. SHARE CAPITAL

The authorised and issued share capital as at the Latest Practicable Date and upon full conversion of the SPA Convertible Note are as follows:

<i>Authorized share capital</i>		<i>US\$</i>
<u>100,000,000,000</u>	Shares	<u>100,000,000.00</u>
 <i>Issued and fully up share capital</i>		
9,197,779,755	Shares as at the Latest Practicable Date	9,197,779.75
335,581,395	Shares to be issued upon full exercise of the Convertible Note	335,581.40
<u>1,406,976,744</u>	SPA Conversion Shares	<u>1,406,976.74</u>
<u>10,940,337,894</u>	Shares upon full conversion of the Convertible Note and SPA Convertible Note	<u>10,940,337.89</u>

On 21 January 2008, a total of 1,500,000,000 unlisted Warrants were issued to not less than six independent placees at a subscription price of HK\$0.074 per Share (subject to adjustment). Save as disclosed herein, there were no outstanding options, warrants, derivatives or convertible securities which may confer any right to the holder thereof to subscribe for, convert or exchange into new Shares.

3. DISCLOSURE OF INTERESTS

(a) Interests of Directors

As at the Latest Practicable Date, the interests or 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 were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO); 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:

(i) 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	Interest of controlled corporation (<i>Note</i>)	2,092,826,000	22.75%

Note: Mr. Zhang Xi is the beneficial owner of 2,092,826,000 Shares. He is deemed to be interested in those Shares which are held by Civil Talent International Limited (“CTIL”), the entire issued share capital of which is beneficially owned by him.

(ii) Share options of the Company

The Company adopted a share option scheme as approved in a special general meeting held on 19 November 2001 pursuant to which the Board may, at their discretion, invite any executive directors, non-executive directors, executives, employees of the Group and any other persons who have contributed or will contribute to the Group to take up share options to subscribe for Shares subject to the terms and conditions stipulated in the share option scheme. Details of share options granted to the Directors as at the Latest Practicable Date are as follows:

Name of Director	Date of grant	Exercise price per share	Number of share options as at the Latest Practicable Date	Exercise period
Mr. Zhang Xi	13 July 2007	HK\$0.153	32,353,000	13 July 2007–12 July 2010
Ms. Catherine Chen	13 July 2007	HK\$0.153	91,617,000	13 July 2007–12 July 2010

(iii) Share options to subscribe for shares in Wood Art International Corporation (“Wood Art”)

Pursuant to the Company’s shareholders’ approval in the special general meeting held on 18 June 2004, the share options scheme of Wood Art, a subsidiary of the Company, became effective. As at the Latest Practicable Date, there were no outstanding share options to subscribe for shares in Wood Art.

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 to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; 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 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 any Director or chief executive of Company, the following person had, or was deemed or taken to have, an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provision 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 circumstance 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 owner	2,092,826,000	22.75%

Note: Mr. Zhang Xi, an executive Director, is the sole director and beneficial owner of CTIL.

Save as disclosed above, the Directors are not aware of any person, who, as at the Latest Practicable Date, had interests or short positions in the Shares, underlying shares of the Company which are required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is 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.

4. 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.

5. DIRECTOR'S SERVICE CONTRACTS

Each of Mr. Zhang Xi ("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 11 December 2006 and the service contract of Ms. Chen was effective on 2 January 2007. Brief particulars of these service contracts are set out as follows:

- (a) the term of each of the service contract is 3 years;
- (b) each of the service contract may be terminated by either party giving to the other party not less than 3 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.

Each of the independent non-executive Directors, being Mr. Hong Po Kui, Martin, Mr. Yam Tak Fai, Ronald and Mr. Wong Man Hin, Raymond entered into a letter of appointment with the Company on 11 December 2006 for appointment as independent non-executive Director for a term of 3 years commencing on 11 December 2006, unless and until such employment is terminated by the Company or by the relevant independent non-executive Director by giving at least 3 calendar month's prior notice in writing. Each of the independent non-executive Directors is entitled to a director's fee of HK\$240,000 per annum.

Save as disclosed above, none of the Directors has entered into any service contract or management agreement, proposed or otherwise with any member of the Group (excluding contracts expiring or terminable by the employer within 1 year without payment of compensation other than statutory compensation).

6. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2006, the date to which the latest published audited financial statements of the Company were made up.

7. DIRECTORS' INTERESTS IN CONTRACT

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting which is significant in relation to the business of the Group.

8. COMPETING INTERESTS

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

9. 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 2006, the date to which the latest published audited financial statements of the Company had been made up.

10. MISCELLANEOUS

- (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 2805, 28th Floor, The Center, 99 Queen's Road Central, Central, 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.

NOTICE OF SPECIAL GENERAL MEETING



福 邦 控 股

Fulbond Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1041)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of the shareholders of Fulbond Holdings Limited (the “**Company**”) will be held at Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 8 May 2008 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** the directors of the Company be and are hereby authorized to issue not more than 1,406,976,744 new shares of the Company (the “Shares”) under a specific mandate (information relating to the proposed specific mandate has been set out in the announcements of the Company dated 29 February 2008 and 13 March 2008 and the circular dated 22 April 2008) and being also subject to the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Shares to be allotted and issued; and **THAT** the proposed specific mandate be and is hereby approved and that any director of the Company be and are hereby authorised to sign, seal, execute, perfect and deliver all such documents and do all such deeds, acts, matters, and things as he may in his discretion considers necessary or desirable for the purpose of the implementation of the proposed specific mandate.

By Order of the Board
Fulbond Holdings Limited
Zhang Xi
Chairman

22 April 2008

Principal office in Hong Kong:
Unit 2805, 28th Floor
The Center
99 Queen's Road Central
Central
Hong Kong

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged at the office of the Company's Hong Kong branch share registrars and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof (as the case may be).
5. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
6. Where there are joint registered holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members in respect of the Shares shall be accepted to the exclusion of the votes of the other registered holders.