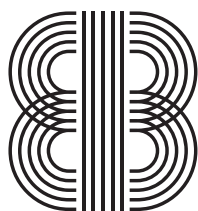


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E. BON HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
怡邦行控股有限公司

(Stock Code: 599)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007**

The board of directors (the “Directors”) of E. Bon Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2007.

CONDENSED CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	Unaudited Six months ended 30 September	
		2007 HK\$'000	2006 HK\$'000
Turnover	2	191,789	165,980
Cost of sales		(108,216)	(100,787)
Gross profit		83,573	65,193
Other revenue		401	407
Selling and distribution expenses		(27,069)	(24,257)
Administrative expenses		(24,872)	(23,832)
Finance costs		(976)	(453)
Profit before taxation	3	31,057	17,058
Taxation	4	(5,053)	(1,937)
Profit for the period		26,004	15,121
Dividends	5	5,000	8,000
Basic earnings per share	6	HK12.38 cents (restated)	HK7.20 cents (restated)

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2007

	Unaudited 30 September 2007 HK\$'000	Audited 31 March 2007 HK\$'000
Non-current assets		
Property, plant and equipment	34,099	34,851
Deferred tax assets	2,446	2,446
	36,545	37,297
Current assets		
Inventories	71,712	73,783
Trade receivables, other receivables, deposits and prepayments	92,286	76,096
Bank balances and cash	62,317	45,978
	226,315	195,857
Current liabilities		
Trade payables, accruals and deposits received	37,636	34,523
Interest-bearing borrowings	39,784	33,140
Tax payable	9,050	3,866
	86,470	71,529
Net current assets	139,845	124,328
Total assets less current liabilities	176,390	161,625
Non-current liabilities		
Obligation under finance leases	93	125
Deferred tax liabilities	3,173	3,173
	3,266	3,298
Net assets	173,124	158,327
Financed by:		
Share capital	20,000	20,000
Reserves	153,124	138,327
Shareholders' funds	173,124	158,327

Notes:

1. Basis of Preparation and accounting policies

These unaudited interim consolidated condensed financial statements (“interim financial statements”) have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed interim accounts should be read in conjunction with 2007 annual accounts.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2007, except for the adoption of all the new and amended Hong Kong Financial Reporting Standards (“HKFRS”) issued by the HKICPA which are first effective on 1 January 2007 and relevant to the Group. The adoption of these new and amended HKFRS has no material financial effect on the Group’s results and financial position for the current and prior periods.

Future changes in HKFRS

At the date of authorization of these interim accounts, the HKICPA also issued several new and amendments to HKFRS which are not yet effective for the accounting period ending 31 March 2008. The Group is in the process of making an assessment of the impact of these new and amended HKFRS to the Group’s results of operations and financial position in the period of initial application.

2. Turnover, revenue and segment information

The Group is principally engaged in the importing and sale of architectural builders hardware, bathroom and kitchen collections. All of the Turnover and operating profit of the Group for the period recognised are as follows:

	Unaudited	
	Six months ended	
	30 September	
	2007	2006
	HK\$’000	HK\$’000
Segment results		
Turnover		
Wholesale	176,148	153,013
Retail	39,102	32,417
Inter-segment elimination	(23,461)	(19,450)
Total turnover	191,789	165,980
Total other costs, net of other revenues and other income	(50,820)	(47,682)
Segment operating profit		
Wholesale	28,829	14,795
Retail	3,923	2,716
Total operating profit	32,752	17,511

No geographical analysis of turnover and operating profit is provided as less than 10% of the consolidated turnover and less than 10% of the consolidated trading results of the Group are attributable to markets outside Hong Kong.

3. Profit before taxation

Profit before taxation is stated after depreciation of fixed assets of HK\$2,824,000 (30 September 2006: 2,412,000).

4. Taxation

Hong Kong Profits Tax has been provided at the rate of 17.5% (2006:17.5%) of the estimated assessable profits for the period. Overseas taxation has been provided on the estimated assessable profits for the period at the rates of taxation prevailing in the relevant jurisdictions.

The charge comprises:

	Unaudited Six months ended 30 September	
	2007 HK\$'000	2006 HK\$'000
Hong Kong profits tax	5,053	1,937
Deferred taxation	—	—
Taxation	<u>5,053</u>	<u>1,937</u>

5. Dividend

The Board has resolved to recommend the payment of dividend of HK2.5 cents and one bonus share for every 20 shares held (2006: HK2.5 cents and special interim dividend HK1.5 cents).

	Unaudited Six months ended 30 September	
	2007 HK\$'000	2006 HK\$'000
Interim dividend of HK2.5 cents (2006: HK2.5 cents) per share	5,000	5,000
Special interim dividend of HKNil (2006: HK1.5 cents) per share	—	3,000
	<u>5,000</u>	<u>8,000</u>

6. Earnings per share

The calculation of basic earning per share is based on the Group's profit attributable to shareholders of HK\$26,004,000 (six month ended 30 September 2006: profit of HK\$15,121,000) and 210,000,000 shares (30 September 2006: 210,000,000 shares) as adjusted to reflect the bonus issue proposed. Diluted earnings per share for the periods was not disclosed as there were no dilutive potential ordinary shares.

INTERIM DIVIDEND AND BONUS SHARES

The Board of Directors has resolved to recommend the payment of an interim dividend of HK2.5 cents per share and a bonus issue on the basis of one bonus share at par for every twenty shares of the Company held to shareholders. The dividend of HK2.5 cents per share will be paid and bonus shares will be issued on 18 January 2008 for members whose names appear on the principal or branch register of the Company in Grand Cayman or Hong Kong respectively (collectively the "Register of Members") as at the close of business of 31 December 2007. Such proposed bonus shares will be issued and credited as fully paid and will rank pari passu with the then issued shares in all respects with effect from the date of issue, except that they are not entitled to the proposed interim dividend for the six months ended 30 September 2007 as mentioned in the condensed consolidated financial statement. Such bonus shares and interim dividend are not reflected as dividend payables or share capital of the Group's financial statements for the period.

CLOSURE OF REGISTER OF MEMBERS

The Company's Register of Members will be closed from 20 December 2007 (Thursday) to 31 December 2007 (Monday), both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Abacus Share Registrars Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong no later than 4:30 p.m. on 19 December 2007 (Wednesday).

REVIEW OF OPERATIONS

For the past six months ended 30 September 2007, the Group's unaudited accounts show that consolidated turnover was HK\$191.8 million (six months ended 30 September 2006: HK\$165.9 million) and consolidated profit after taxation was HK\$26 million (six months ended 30 September 2006: HK\$15.12 million). During the period we have actively participated in the supplying of building materials for prestige projects including: the Sparkle, the Teaching Hotel at the Chinese University of Hong Kong, and Four Seasons Hotel in Macau. Meanwhile the sales has been moving steadily in the positive directions with approximately 76 outlets for sales or showrooms for our products in China.

FINANCIAL POSITION

The Group records profit after taxation during the period and its overall financial position is sound. We have managed to improve our gross profit margin to 43.5% (30 September 2006: 39.2%) contributed by our wholesale and retail of higher valued products. We record a 82% increase in operating profit resulted from controlling the level of overhead expenditure while improving our operating efficiency. The Group holds approximately HK\$62.3 million in cash (31 March 2007: HK\$46.0 million) and has no bank borrowings (31 March 2007: nil). The Group current ratio, which is calculated based on current assets over current liabilities, is 2.61 as of 30 September 2007 (31 March 2007: 2.73) During the period, the Group has no significant exposure to foreign currency fluctuation and none of the assets of the Group was held under charge. Moreover, the Group has no materials capital commitment as at 30 September 2007.

FUTURE PROSPECTS

During this period, we have achieved a healthy increase in our project sales and this has further confirmed our optimism on the sales of luxurious residential properties, which has been the view shared among developers in Hong Kong. The increase in turnover of kitchen furniture and other high valued products enable us to improve our product mix and our gross margin. During the period, we note the continue upsurge of the oil price and weakening United States Dollars (hence Hong Kong Dollars) against other currencies have brought general inflation into the local economy. Looking forward, we expect the favourable policies from Mainland China continue to benefit Hong Kong in 2008, with better job prospect for the people and low interest rate is likely to help the resident property market, while the opening up of investment opportunities for investors in China is likely to create an influx of capital and a demand for financial services such as wealth management, will further boost the economy in Hong Kong, resulting in the growth of the sales of our branded products for both residential and commercial property market.

CONTINGENT LIABILITIES

- a. In August 2001, a subsidiary of the Company (“the Subsidiary”) sued one of its customers (“the Defendant”) for recovery of an amount of approximately HK\$5,333,000 in respect of goods sold and delivered to the Defendant. In September 2001, the Defendant filed a counter-claim in a sum of approximately HK\$6,148,000 against the Subsidiary for the alleged losses and damages as a result of the alleged breach of the supply agreement entered into between the Defendant and the Subsidiary. The case is now in the stage where the parties’ expert reports are to be exchanged and the directors of the Company, on the basis of independent legal advice obtained, consider the Subsidiary has a good arguable case against the Defendant for the counter-claim and accordingly no provision in respect of the debt due or the amount of the counter-claim has been made in the financial statements of the Group.
- b. As at 30 September 2007, the Group had indemnities in respect of performance bonds amounting to approximately HK\$330,000 (31 March 2007: Nil) given to certain customers in respect of commitments for the supply of goods to such customers.

Apart from the above, the Group and the Company had no material litigation or contingent liabilities as at 30 September 2007 and up to the date of the approval of these interim accounts.

PURCHASE, SALES OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s shares during the period.

CODE ON CORPORATE GOVERNANCE PRACTICE

The Company has adopted all the code provisions in the Code of Corporate Governance Practice (“Code”) as set out in Appendix 14 of the Listing Rules as its own code on corporate governance practices. During the six months ended 30 September 2007, the Company has met with the code provisions as set out in the Code, with the exception of the following deviation:

Under the code provision A.4.1, non-executive directors should be appointed for a specific term. Currently, non-executive directors are not appointed for a specific term. This constitutes a deviation from code provision A.4.1. However, they are subject to retirement by rotation at each annual general meeting under the articles of association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. Having made specific enquiry of all directors, the directors have confirmed compliance with the required standard set out in the Model Code during the six months ended 30 September 2007.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adapted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim accounts for the six months ended 30 September 2007.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

The Company's interim report which set out all the information required to be disclosed under Appendix 16 of the Listing Rules, will be published on the website of the Stock Exchange of Hong Kong Limited in due course.

By order of the Board
Tse Sun Fat, Henry
Chairman

Hong Kong 10 December 2007

Website: www.ebon.com.hk

As at the date of this announcement, the executive directors of the Company are Mr. TSE Sun Fat, Mr. TSE Sun Po, Mr. TSE Sun Lung, Mr. YICK Kai Chung, Mr. LAU Shiu Sun and Mr. FUNG Cheuk Hang, and the independent non-executive directors are Mr. LEUNG Kwong Kin J.P., Mr. WONG Wah and Mr. WAN Sze Chung.