

2006

interim report

stock code **599**

Reach a new climax,
We are no more
on the same step.
We are no more
on the same individual.

**We are, on the
same race!**

The directors of E.Bon Holdings Limited (the “Company”) present the interim report and unaudited condensed results of the Company and its subsidiaries (the “ Group”) for the six months ended 30 September 2006 are as follows:

Interim Dividend

The Board of Directors has resolved to recommend the payment of an interim dividend totaling HK4 cents per share in respect of the six months ended 30 September 2006 (interim dividend for six months ended 30 September 2005: HK1 cent per share) of which bonus dividend of HK1.5 cents were paid in October 2006. The balance dividend of HK2.5 cents per share will be paid on 28 December 2006 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 14 December 2006.

Closure of Register of Members

The Company’s Register of Members will be closed from 8 December 2006 (Friday) to 14 December 2006 (Thursday), both days inclusive, during the 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 not later than 4:00 p.m. on 7 December 2006 (Thursday).

怡邦行控股有限公司(「本公司」)董事提呈中期报告及本公司及其附属公司(「本集团」)截至二零零六年九月三十日止六个月之未经审核简明综合业绩如下:

中期股息

董事会议决就截至二零零六年九月三十日止六个月建议派付中期股息每股合共4港仙(截至二零零五年九月三十日止六个月之中期股息:1港仙),其中特别股息1.5港仙已于二零零六年十月份支付。剩馀每股股息2.5港仙将于二零零六年十二月二十八日向于二零零六年十二月十四日营业时间结束时分别名列本公司于开曼群岛或香港存置之股东名册或分册(统称「股东名册」)之股东派付。

暂停办理股份过户登记

本公司将于二零零六年十二月八日(星期五)至二零零六年十二月十四日(星期四)(包括首尾两天)期间暂停办理股份过户登记手续。如欲享有获派发中期股息之权利,最迟须于二零零六年十二月七日(星期四)下午四时前,将所有过户表格连同有关股票,一并送达本公司之香港股份过户登记处雅柏勤证券登记有限公司办理股份过户登记手续,地址为香港皇后大道东28号金钟汇中心26楼。

Review of Operations

For the past six months ended 30 September 2006, the Group's unaudited accounts show that consolidated turnover was HK\$165.9 million (six months ended 30 September 2005: HK\$99.0 million) and consolidated profit after taxation was HK\$15.12 million (six months ended 30 September 2005: HK\$4.16 million). During the period, we have actively participated in the supplying of building materials for prestige projects including The Vineyard, Vision City in Hong Kong and Galaxy Starworld Hotel in Macau. Meanwhile, the sales to projects in China have been moving steadily in the positive direction, the Group has now established approximately 76 outlets for sales or showrooms for its products in order to expand its presence and business into Mainland China. The group has conducted the business in China discreetly and circumspectly.

The Group's workforce consists of 130 devoted employees all of whom are vital to our operation.

Financial Position

The Group records profit after tax during the period and its overall financial position is sound. We have managed to improve our profit margin to 39.2% (30 September 2005: 36.5%) contributed by our wholesale and retail operations while recording a 310.0% increase in profit before tax via improvement in operating efficiency, the Group holds approximately HK\$44.4 million in cash deposit (31 March 2006: HK\$36 million) and has no bank borrowings (31 March 2006: HK\$1 million). The Group's current ratio, which is calculated based on current assets over current liabilities, was 2.97 at 30 September 2006 (31 March 2006: 3.17). 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 material capital commitment as at 30 September 2006.

业务回顾

截至二零零六年九月三十日止过去六个月，本集团之未经审核账目显示，综合营业额为165,900,000港元（截至二零零五年九月三十日止六个月：99,000,000港元）及除税后综合溢利为15,120,000港元（截至二零零五年九月三十日止六个月：4,160,000港元）。期内本集团为多个著名发展项目供应建材，包括香港之「葡萄园」、「万景峰」及澳门之「银河星际酒店」。与此同时，向国内项目销货方面取得平稳发展，表现向好，本集团现已为其产品设立约76个销售点，以便扩充国内业务。本集团向以审慎周全之方针在中国经商。

本集团旗下130名忠诚员工与本集团之业务息息相关。

财政状况

本集团于期内录得除税后溢利，整体财政状况亦见稳健。本集团来自批发及零售业务之边际利润增至39.2%（二零零五年九月三十日：36.5%），除税前溢利亦因提升营运效率而增加310.0%。本集团持有现金存款约44,400,000港元（二零零六年三月三十一日：36,000,000港元），且无任何银行借贷（二零零六年三月三十一日：1,000,000港元）。于二零零六年九月三十日，本集团按流动资产除以流动负债计算之流动比率为2.97（二零零六年三月三十一日：3.17）。期内，本集团并无重大外汇波动风险，亦无任何资产用作抵押。此外，于二零零六年九月三十日，本集团并无任何重大资本承担。

攀向新高峰，
我们不再原地踏步，
我们不再故我，

我们，
在同一跑道！

Future Prospects

During this period, we have achieved a significant increase in our project sales and this in turn has confirmed our view on the sales of luxurious apartments, the same optimism shared among the major developers in Hong Kong. We are pleased to see the healthy increase in turnover of kitchen furniture and other products which are in line with our forecast. The outstanding contracts in hand as at 30 September 2006 amounted to HK\$112 million (31 March 2006: HK\$105 million) after accounted for approximately HK\$65 million completed project sales during this six months period. Despite the fact that the oil price remain at high level, we are pleased to note that the increase in interest rates appears to ease off during the period. Looking forward, 2007 is the 10th Anniversary of the establishment of Hong Kong Special Administrative Region, we went through a period of consolidation during the first few years, since then Hong Kong has benefited from the favourable policies from mainland China such as the influx of tourists and the listing of China enterprises and financial institutions in the Stock Exchange. These have helped the territory to boost its economy and affirming itself as the Regional Financial Centre, which result in the growth in the sales of our branded products for the growing luxurious residential property market. In addition, the expansion of business districts across the Victoria Harbour into Western Kowloon and revitalising urban areas such as Kwun Tong and To Kwa Wan, enable us to increase our sales in materials supply to commercial properties and other projects.

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.

未来展望

期内，本集团之项目供应销售额显著增加，证明本集团看好高尚住宅销情之观点正确，与香港主要地产发展商不谋而合。厨房配套设备及其他产品之营业额稳步上升，成绩令人欣喜，亦与预测水平相若。于二零零六年九月三十日，扣除于这六个月期间内完成之项目销售额约65,000,000港元后，手头上合约总值约为112,000,000港元（二零零六年三月三十一日：105,000,000港元）。虽然油价维持高企，但期内加息压力似有放缓趋势。展望未来，二零零七年适逢香港特别行政区成立十周年。香港于回归初期经历一段调整期，其后因中国实施连串优惠政策而得益，如放宽内地游客来港限制，以及中资企业及金融机构相继在联交所上市等，均有助刺激本港经济及巩固其亚太金融中心之地位，连带本集团之品牌产品亦因豪宅市场兴旺而销量上升。此外，维港两岸之商业区扩展至西九龙，观塘及土瓜湾进行市区重建，均有助增加本集团对商用物业及其他项目供应建材之机会。

购买、出售或赎回股份

于期内，本公司或其任何附属公司概无购买、出售或赎回任何本公司股份。

Directors' Interest in shares and underlying shares

As at 30 September 2006, the interests of the directors and chief executives in the shares of the Company and their associates (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register of directors' and chief executives' interests and short positions required to be maintained under Section 352 of the SFO were as follows:

Long position in shares and underlying shares

董事的股份及相关股份之权益

于二零零六年九月三十日，各董事拥有本公司及其相关法团股份及相关股份（根据证券及期货条例「证券及期货条例」第XV部的定义）及根据证券及期货条例第352条须登记于该条规定存置之登记如下：

拥有公司股份及相关股份之好仓

| | | Number of ordinary shares held 持有普通股份之数目 | | | | Percentage of issued share capital 占已发行 股份之比例 |
|-------------------------------|------------|---|----------------------------|-------------------------------|---------------------------|---|
| Director | 董事 | Personal interest 个人权益 | Family interest 家族权益 | Corporate interest 公司权益 | Other interest 其他权益 | |
| Mr. TSE Sun Fat, Henry (Note) | 谢新法先生 (附注) | — | — | — | 85,374,800 | 42.69% |
| Mr. TSE Sun Po, Tony (Note) | 谢新宝先生 (附注) | — | 85,374,800 | — | 85,374,800 | 42.69% |
| Mr. TSE Sun Lung, Alan | 谢新龙先生 | 9,470,000 | — | — | — | 4.73% |
| Mr. WONG Tin Cheung, Ricky | 黄天祥先生 | 3,542,000 | — | — | — | 1.77% |
| Mr. YICK Kai Chung | 易启宗先生 | 6,722,800 | — | — | — | 3.36% |

Note:

The interests in shares of the Company is held by Tse Brothers Assets Management Limited, which is the trustee of The Tse Brothers Unit Trust (which is in turn held by a discretionary trust, The Tse's Family Trust). Mr. TSE Sun Fat, Henry is one of the objects of The Tse's Family Trust. In addition, as the spouse and other family members of Mr. TSE Sun Po, Tony is an object of The Tse's Family Trust.

附注：

Tse Brother Assets Management Ltd.持有该等股份，彼为The Tse Brothers Unit Trust之受托人（而The Tse Brothers Unit Trust则由一个全权信托The Tse's Family Trust持有）。谢新法先生为The Tse's Family Trust受益人之一。此外，谢新宝先生之配偶及其他家族成员为The Tse's Family Trust之受益人。

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Save as disclosed above, during the six months ended 30 September 2006, none of the directors of the Company nor any of their spouses or minor children were granted or held options to subscribe for shares in the Company (within the meaning of Part XV of the SFO), or had exercised such rights.

Directors' Benefits from Rights to Acquire Shares or Debentures

Under the terms of the Company's share option scheme adopted on 22 March 2000, which was made in accordance with the Listing Rules governing share option schemes at that time, the Board of Directors of the Company might, at their discretion, invite any full-time employees or executive directors of the Company or any of its subsidiaries to subscribe for ordinary shares of HK\$0.10 each in the Company. The maximum number of shares in respect of which options may be granted under the scheme may not exceed 10% of the issued share capital of the Company. No options have been granted to the directors since its adoption. The Company's share option scheme has been rewritten in accordance with the new regulatory requirement of the new listing rules which came into effect on 1 October 2005.

Apart from the above, at no time during the six months ended 30 September 2006 was the Company or any of its subsidiaries or holding companies a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Substantial shareholders

As at 30 September 2006, the register of substantial shareholders' interests in shares and short positions required to be maintained under Section 336 of the SFO showed that the following shareholders had an interest of 5% or more in the issued capital of the Company:

Long position in shares of the Company

Name of Shareholder

Tse Brothers Assets Management Limited (Note)
Messrs. Kelvin K W Cheung & Chu Hei Chun (Note)

股东名称

Tse Brothers Assets Management Limited (附注)
张嘉伟先生及朱希镇先生 (附注)

Number of Shares 股份数目

85,374,800
85,374,800

Percentage of issued share capital 占已发行股份之比例

42.69%
42.69%

除上文所披露外,于二零零六年九月三十日六个月内,本公司董事、彼等之配偶及年幼子女均无获授或持有或行使本公司之股份或购股权之权益(根据证券及期货条例第XV部的定义)。

董事来自购入股份或债券权利之利益

根据于二零零零年三月二十二日采纳之本公司购股权计划(乃根据上市规则规管购股权计划)之条款,本公司董事会可酌情邀请本公司或其任何附属公司之任何全职雇员或执行董事认购本公司每股面值0.10港元之普通股。就该计划下可能授出之购股权之股份最高数目不得超过本公司已发行股本10%。自采纳计划以来,概无董事获授任何购股权。本公司购股权计划已随著于二零零五年十月一日生效的新上市条例要求而重新编制。

除上文所述者外,于二零零六年九月三十日六个月内任何时间,本公司、其任何附属公司或控股公司概无作出任何安排,以使本公司之董事藉购入本公司或其他法人团体之股份或债券而获取利益。

主要股东

于二零零六年九月三十日,根据证券条例第336条须存置之主要股东名册,本公司已获知会下列主要股东(即拥有本公司已发行股本5%或以上之权益)之权益。

拥有公司股份之好仓

Note:

Tse Brothers Assets Management Limited, the entire issued share capital of which is in turn held by Messrs. Kelvin K W Cheung & Chu Hei Chun (who are the trustees of the Tse's Family Trust). Tse Brothers Assets Management Limited and Messrs. Kelvin K W Cheung & Chu Hei Chun are respectively taken to be interested in these shares under Section 316 of the SFO.

Save as disclosed above, the Company had not been notified of any other interests representing 5% or more in the Company's issued share capital as at 30 September 2006.

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 2006, 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 2006.

Audit Committee

The Audit Committee has reviewed with management the accounting principles and practices adapted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim accounts for the six months ended 30 September 2006.

附注:

Tse Brothers Assets Management Limited之全部已发行股本则由张嘉伟先生及朱希镇先生(彼等亦为The Tse's Family Trust之受托人)持有。根据证券条例第316条, Tse Brothers Assets Management Limited、张嘉伟先生及朱希镇先生因此被当作拥有该等股份之权益。

除上文所披露外,截至二零零六年九月三十日,本公司并没有接获任何其他拥有本公司已发行股本5%或以上之权益的通知。

企业管治常规守则

本公司采用上市规则附录十四所载之企业管治常规守则(「守则」)为其公司企业管治的守则,截至二零零六年九月三十日止六个月内,本公司一直遵守于该守则内列明的守则条文,惟以下偏离则除外:

根据守则条文A.4.1,非执行董事之委任须有指定任期。现时,非执行董事之委任并无特定任期,此举构成对守则条文A.4.1之偏离。然而,根据本公司之章程细则,彼等须于各股东周年大会上轮值告退。因此,本公司认为,已采取足够措施确保本公司之企业管治常规不会较守则宽松。

董事进行证券交易之标准守则

本公司已采纳上市规则附录十所载之上市发行人董事进行证券交易之标准守则(「标准守则」)为其董事进行证券交易之操守准则。本公司已向董事作出个别查询,全体董事于截至二零零六年九月三十日止之六个月内一直遵守标准守则所载之规定准则。

审核委员会

审核委员会与管理层已审阅本集团所采纳之会计政策及实务常规,并讨论内部监控及账目等事项(包括审阅截至二零零六年九月三十日止六个月之未经审核中期账目)。

攀向新高峰，
我们不再原地踏步，
我们不再故我，

我们，
在同一跑道！

Condensed Consolidated Profit and Loss Account

For the six months ended 30 September 2006

简明综合损益账

截至二零零六年九月三十日止六个月

| | | Unaudited 未经审核 | |
|-----------------------------------|------------|--|---------------------|
| | | Six months ended 30 September 截至九月三十日止六个月 | |
| | | 2006 二零零六年 | 2005 二零零五年 |
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| | Note 附注 | | |
| Turnover | 2 | 165,980 | 99,012 |
| Cost of sales | | (100,787) | (62,836) |
| Gross profit | | 65,193 | 36,176 |
| Other revenue | 2 | 407 | 199 |
| Selling and distribution expenses | | (24,257) | (17,211) |
| Administrative expenses | | (23,832) | (14,985) |
| Finance costs | 4 | (453) | (19) |
| Profit before taxation | | 17,058 | 4,160 |
| Taxation | 5(a) | (1,937) | - |
| Profit for the period | | <u>15,121</u> | <u>4,160</u> |
| Dividends | 7 | <u>8,000</u> | <u>2,000</u> |
| Basic earnings per share | 6 | <u>HK7.56 cents</u> 港仙 | <u>HK2 cents</u> 港仙 |

Condensed Consolidated Balance Sheet

As at 30 September 2006

简明综合资产负债表

二零零六年九月三十日

| | | | Unaudited 未经审核 30 September 2006 二零零六年 九月三十日 HK\$'000 千港元 | Audited 经审核 31 March 2006 二零零六年 三月三十一日 HK\$'000 千港元 |
|--|----------------------|------------|--|--|
| | | Note 附注 | | |
| Non-current assets | 非流动资产 | | | |
| Property, plant and equipment | 物业·厂房及设备 | 8 | 31,310 | 31,741 |
| Deferred tax assets | 递延税项资产 | 5(b) | 3,792 | 3,792 |
| | | | <u>35,102</u> | <u>35,533</u> |
| Current assets | 流动资产 | | | |
| Inventories | 存货 | | 61,535 | 60,276 |
| Trade receivables, other receivables, deposits and prepayments | 应收贸易账款·其他应收账款·按金及预付款 | 9 | 83,602 | 64,237 |
| Bank balances and cash | 现金及银行结余 | | 44,424 | 36,371 |
| | | | <u>189,561</u> | <u>160,884</u> |
| Current liabilities | 流动负债 | | | |
| Trade payables, accruals and deposits received | 应付贸易账款·应计账款及已收按金 | 10 | 31,013 | 33,134 |
| Bills payable | 应付票据 | | 30,489 | 15,671 |
| Current portion of obligations under finance leases | 融资租赁之即期部分 | 11 | 83 | 159 |
| Interest bearing borrowing | 有息借贷 | | — | 1,052 |
| Tax payable | 应付税项 | | 2,294 | 721 |
| | | | <u>63,879</u> | <u>50,737</u> |
| Net current assets | 流动资产净值 | | <u>125,682</u> | <u>110,147</u> |
| Total assets less current liabilities | 总资产减流动负债 | | 160,784 | 145,680 |

Reach a new climax,
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on the same step.
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same race!**

Condensed Consolidated Balance Sheet 简明综合资产负债表 (续)
(continued) 二零零六年九月三十日
As at 30 September 2006

| | | Note | Unaudited 未经审核 30 September 2006 二零零六年 九月三十日 HK\$'000 千港元 | Audited 经审核 31 March 2006 二零零六年 三月三十一日 HK\$'000 千港元 |
|---------------------------------|------------|------|--|--|
| Non-current liabilities | 非流动负债 | | | |
| Obligation under finance leases | 融资租约之非即期部分 | 11 | – | 39 |
| Deferred tax liabilities | 递延税项负债 | 5(b) | 2,878 | 2,878 |
| | | | <u>2,878</u> | <u>2,917</u> |
| Net assets | 资产净值 | | <u>157,906</u> | <u>142,763</u> |
| Financed by: | 资本来源: | | | |
| Share capital | 股本 | 13 | 20,000 | 20,000 |
| Reserves | 储备 | | <u>137,906</u> | <u>122,763</u> |
| Shareholders' funds | 股东资金 | | <u>157,906</u> | <u>142,763</u> |

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2006

简明综合股权变动表

二零零六年九月三十日止六个月

| | | | | Unaudited 未经审核 | | | | |
|--|---|---|---|--|---|--|---|--------------------------------|
| | Share capital 股本 HK\$'000 千港元 | Share premium 股份溢价 HK\$'000 千港元 | Revaluation Reserve 重估储备 HK\$'000 千港元 | Merger reserve 合并储备 HK\$'000 千港元 | Capital reserve 资本储备 HK\$'000 千港元 | Exchange reserve 汇兑储备 HK\$'000 千港元 | Retained earnings 保留溢利 HK\$'000 千港元 | Total 总计 HK\$'000 千港元 |
| At 1 April 2005 | | | | | | | | |
| As previously reported | 20,000 | 41,261 | 8,355 | 6,979 | 2,896 | 4 | 53,353 | 132,848 |
| Surplus on revaluation of fixed assets | - | - | 5,013 | - | - | - | - | 5,013 |
| Profit for the period | - | - | - | - | - | - | 4,160 | 4,160 |
| At 30 September 2005 | <u>20,000</u> | <u>41,261</u> | <u>13,368</u> | <u>6,979</u> | <u>2,896</u> | <u>4</u> | <u>57,513</u> | <u>142,021</u> |
| At 1 April 2006 | 20,000 | 41,261 | 13,286 | 6,979 | 2,896 | 3 | 58,338 | 142,763 |
| Profit for the period | - | - | - | - | - | - | 15,121 | 15,121 |
| Exchange difference | - | - | - | - | - | 22 | - | 22 |
| At 30 September 2006 | <u>20,000</u> | <u>41,261</u> | <u>13,286</u> | <u>6,979</u> | <u>2,896</u> | <u>25</u> | <u>73,459</u> | <u>157,906</u> |

攀向新高峰，
我们不再原地踏步，
我们不再故我，

我们，
在同一跑道！

Condensed Consolidated Cash Flow Statement

For the six months ended 30 September 2006

简明综合现金流量表

二零零六年九月三十日止六个月

| | | Unaudited 未经审核 | |
|--|----------------|--|----------------------------------|
| | | Six months ended 30 September 截至九月三十日止六个月 | |
| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| Net cash generated from operating activities | 来自经营业务之现金净额 | 10,223 | 9,160 |
| Net cash used in investing activities | 用于投资业务之现金净额 | (1,603) | (2,300) |
| Net cash used in financing activities | 用于融资业务之现金净额 | (567) | (99) |
| Increase in cash and cash equivalents | 现金及现金等值之增加 | 8,053 | 6,761 |
| Cash and cash equivalents at 1 April | 四月一日之现金及现金等值物 | 36,371 | 29,465 |
| Cash and cash equivalents at 30 September | 九月三十日之现金及现金等值物 | <u>44,424</u> | <u>36,226</u> |

Cash and cash equivalents represent cash and bank balances at the respective period end dates. 现金及现金等值物为有关期间完结日之现金及银行结余。

Notes to the Unaudited Condensed Interim Accounts

1. Basis of preparation and accounting policies

These unaudited interim consolidated condensed accounts (“interim accounts”) have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and applicable disclosure provisions of 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 the 2006 annual accounts.

The accounting policies and methods of computation used in the preparation of these interim accounts are consistent with those used in the annual accounts for the year ended 31 March 2006.

The Group has adopted HKAS 39 and HKFRS 4 (Amendments) “Financial Guarantee Contracts” effective for accounting period beginning on 1 April 2006.

A financial guarantee contract is a contract that requires the issuer to make specific payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified term of a debt instrument. The directors consider adoption of this amendment would have no significant impact on the Group’s financial statements.

Future changes in HKFRS

At the date authorization of these interim accounts, the HKICPA has issued a number of new/revised HKFRS that are not yet effective and the Group has not early adopted. The directors anticipate that the adoption of these new/revised HKFRS in the future accounting periods will have no significant impact on the result of the Group.

未经审核中期账目附注

1. 编制基准及会计政策

未经审核的简明综合中期账目（「中期账目」）是按照香港会计师公会颁布的《香港会计准则》（「会计准则」）第三十四条「中期财务报告」及所有适用的香港联合交易所有限公司的证券上市规则披露规定而编制。

本简明中期账目须与二零零六年全年账目一并阅读。

本综合财务报表所采用之会计政策与本集团编制截止二零零六年三月三十一日止年度之全年财务报表所采纳者相符一致。

本集团已应用于二零零六年四月一日或之后开始的会计期间生效的香港会计准则第39号及香港财务报告准则第4号（经修订）「财务担保合约」。

财务担保合约乃因指定债务人未能按债务工具的原有或经修改条款如期付款时，发行人需支付指定金额予持有人以补偿其所遭受损失的合约。董事认为采用此等准则并不会对本集团的财务报表造成重大影响。

未来香港财务报告准则改变

于授权本中期报告时，本集团并无提早采纳香港会计师公会已颁布一连串但尚未生效的新及经修订香港财务报告准则，董事预期采用此等新及经修订香港财务报告准则并不会对本集团于未来的业绩产生重大影响。

Reach a new climax,
We are no more
on the same step.
We are no more
on the same individual.
**We are, on the
same race!**

2. Turnover, revenue and segment information

The Group is principally engaged in the importing and sale of architectural builders hardware, bathroom and kitchen collections in Hong Kong. Revenues recognized are as follows:

| | |
|---------------------------|------------|
| Turnover – sales of goods | 营业额 – 货品销售 |
| Other revenue | 其他收益 |
| Interest income | 利息收入 |
| Total revenues | 总收益 |

Primary reporting format – business segments

The Group is primarily operated in Hong Kong divided into two main business segments:

- Wholesale – importing and wholesale of architectural builders hardware and bathroom and kitchen collections to dealers, traditional hardware stores, contractors and property developers.
- Retail – sale of architectural builders hardware and bathroom and kitchen collections through the Group's retail outlets.

2. 收益、营业额及分部资料

本集团主要于香港从事入口及销售建筑五金、高级卫浴及厨房设备。确认之收入如下：

| Unaudited 未经审核 | |
|--|-----------------|
| Six months ended 30 September 截至九月三十日止六个月 | |
| 2006 二零零六年 | 2005 二零零五年 |
| HK\$'000 千港元 | HK\$'000 千港元 |
| 165,980 | 99,012 |
| 23 | – |
| 384 | 199 |
| <u>166,387</u> | <u>99,211</u> |

主要报告形式 – 业务分部资料

本集团将香港业务纳入两个主要业务分部：

- 批发 – 进口及向批发商、传统五金店舖、承办商及物业发展商批发建筑五金、卫浴及厨房设备。
- 零售 – 透过本集团之零售店舖销售建筑五金、卫浴及厨房设备。

| | | Unaudited 未经审核 | |
|---|--------------------|--|----------------------------------|
| | | Six months ended 30 September 截至九月三十日止六个月 | |
| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| Segment revenue and results | 分部业绩 | | |
| Turnover | 营业额 | | |
| Wholesale | 批发 | 153,013 | 90,205 |
| Retail | 零售 | 32,417 | 35,227 |
| Inter-segment elimination | 分部抵销 | (19,450) | (26,420) |
| Total turnover | 营业额合计 | 165,980 | 99,012 |
| Cost of goods sold | 销售成本 | | |
| Wholesale | 批发 | 100,532 | 62,581 |
| Retail | 零售 | 19,705 | 26,675 |
| Inter-segment elimination | 分部抵销 | (19,450) | (26,420) |
| Total cost of goods sold | 销售成本合计 | 100,787 | 62,836 |
| Gross profit | 毛利 | | |
| Wholesale | 批发 | 52,481 | 27,624 |
| Retail | 零售 | 12,712 | 8,552 |
| Total gross profit | 毛利合计 | 65,193 | 36,176 |
| Other costs, net of other revenues and other income | 其他成本、扣减其他收益及其他收入 | | |
| Wholesale | 批发 | (37,686) | (25,192) |
| Retail | 零售 | (9,996) | (6,805) |
| Total other costs, net of other revenues and other income | 其他成本、扣减其他收益及其他收入合计 | (47,682) | (31,997) |
| Segment operating profit | 分部经营盈利 | | |
| Wholesale | 批发 | 14,795 | 2,432 |
| Retail | 零售 | 2,716 | 1,747 |
| Total operating profit | 经营溢利合计 | 17,511 | 4,179 |
| Finance costs | 融资成本 | (453) | (19) |
| Total operating profit after finance cost | 计算融资成本后经营溢利合计 | 17,058 | 4,160 |
| Taxation | 税项 | (1,937) | - |
| Profit attributable to shareholders | 股东应占溢利 | 15,121 | 4,160 |

Secondary reporting format – geographical segments

No geographical analysis of turnover and operation 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.

次要报告 – 地域分类资料

由于本集团于香港以外市场之营业类及经营溢利贡献少于集团综合营业额之10%及少于集团综合贸易业绩之10%，故并无披露营业额及经营溢利贡献之地区分析。

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我们不再故我，
我们，
在同一跑道！

3. Operating profit

Operating profit is stated after charging the following:

Depreciation on property, plant and equipment
Net exchange loss
Payments under operating leases for leasehold land and buildings
Provision for slow-moving inventories, included in cost of inventories
Staff costs, including directors' emoluments

4. Finance costs

Interest on bank borrowings
Interest element of finance leases

5. Taxation

(a) Hong Kong Profits Tax has been provided at the rate of 17.5% (2005: 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.

3. 经营溢利

经营溢利已扣除下列各项：

物业·厂房及设备折旧
汇兑亏损净额
租约土地及楼宇之经营租约付款
已计入存货成本之滞销存货拨备
员工成本(包括董事酬金)

4. 融资成本

银行贷款利息
融资租约之利息部份

5. 税项

(a) 香港利得税乃就期内赚取之估计应课税溢利按17.5%(二零零五年:17.5%)之税率计算。海外税项乃就期内赚取之估计应课税溢利按有关地区税务制度之税率计算。

| Unaudited 未经审核 | |
|--|----------------------------------|
| Six months ended 30 September 截至九月三十日止六个月 | |
| 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| 2,412 | 2,480 |
| 412 | 196 |
| 10,960 | 8,940 |
| 3,116 | 2,010 |
| <u>18,922</u> | <u>12,345</u> |

| Unaudited 未经审核 | |
|--|----------------------------------|
| Six months ended 30 September 截至九月三十日止六个月 | |
| 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| 408 | - |
| 45 | 19 |
| <u>453</u> | <u>19</u> |

The charge comprises:

项目包括:

| | | Unaudited 未经审核 | |
|-------------------------------|---------------|--|----------------------------------|
| | | Six months ended 30 September 截至九月三十日止六个月 | |
| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| Hong Kong profits tax | 香港利得税 | 1,937 | - |
| Deferred taxation (note 5(b)) | 递延税项 (附注5(b)) | - | - |
| Taxation | 税项 | 1,937 | - |

(b) Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2005: 17.5%).

(b) 递延税项采用负债法就税率17.5%(二零零五年:17.5%)之暂时差异作全数拨备。

The movement on the deferred tax liabilities/(assets) account is as follows:

递延税项负债/(资产)的变动如下:

| | | Unaudited 未经审核 | Audited 经审核 |
|--|--------------|---|--|
| | | 30 September 2006 二零零六年 九月三十日 HK\$'000 千港元 | 31 March 2006 二零零六年 三月三十一日 HK\$'000 千港元 |
| At beginning of period/year | 期初结余 | (914) | (439) |
| Deferred taxation credited to profit and loss account/equity | 递延税项计入损益账/股权 | - | (475) |
| At the end of the period/year | 期末结余 | (914) | (914) |
| Represented by: | 代表: | | |
| Deferred tax assets | 递延税项资产 | 2,878 | 2,878 |
| Deferred tax liabilities | 递延税项负债 | (3,792) | (3,792) |
| | | (914) | (914) |

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**We are, on the
same race!**

6. Earning per share

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of HK\$15,121,000 (six months ended 30 September 2005: profit of HK\$4,160,000) and 200,000,000 shares (30 September 2005: 200,000,000 shares) in issue during the period. Diluted earnings per share for the periods were not disclosed as there were no dilutive potential ordinary shares.

6. 每股溢利

每股基本溢利乃根据本集团股东应占溢利15,121,000港元(截至二零零五年九月三十日止六个月:溢利4,160,000港元)及期内已发行股数200,000,000股(二零零五年九月三十日:200,000,000股)计算。由于并无潜在摊薄普通股,故并无披露期内每股摊薄溢利。

7. Dividends

Interim dividend declared of HK2.5 cents per share (2005: HK1 cent)
Special interim dividend declared of HK1.5 cents per share (2005: Nil)

中期股息每股2.5港仙(二零零五年:1港仙)
特别中期股息每股1.5港仙(二零零五年:无)

7. 股息

| Unaudited 未经审核 | |
|--|----------------------------------|
| Six months ended 30 September 截至九月三十日止六个月 | |
| 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| 5,000 | 2,000 |
| 3,000 | - |
| <u>8,000</u> | <u>2,000</u> |

8. Capital expenditure

Net book value as at 31 March 2006
Additions
Exchange difference
Depreciation

于二零零六年三月三十一日之账面净值
添加
汇兑差异
折旧

Net book value as at 30 September 2006

于二零零六年九月三十日之账面净值

| Property, plant & equipment 物业、厂房及设备 HK\$'000 千港元 |
|--|
| 31,741 |
| 1,986 |
| (5) |
| <u>(2,412)</u> |
| <u>31,310</u> |

The Group's leasehold land and building were revalued by A.G. Wikinson & Associates, an independent firm of valuer, at 30 September 2005 on the basis of open market value.

本集团物业由韦坚信测量师行(一家独立专业测量师行)于二零零五年九月三十日按公开市值为基准作出之重估。

9. Trade receivables, other receivables, deposits and prepayments

Included in the balance are trade receivables, net of provision, and their aging analysis is as follows:

| | | 0 – 30 days 少于三十日 HK\$'000 千港元 | 31 – 60 days 三十一日 至六十日 HK\$'000 千港元 | 61 – 90 days 六十一日 至九十日 HK\$'000 千港元 | Over 90 days 超过九十日 HK\$'000 千港元 | Total 合计 HK\$'000 千港元 |
|------------------------------|-----------------|--|--|--|---|--------------------------------|
| Balance at 30 September 2006 | 于二零零六年九月三十日之结馀 | <u>18,698</u> | <u>14,736</u> | <u>14,645</u> | <u>17,721</u> | <u>65,800</u> |
| Balance at 31 March 2006 | 于二零零六年三月三十一日之结馀 | <u>24,720</u> | <u>8,492</u> | <u>5,281</u> | <u>13,915</u> | <u>52,408</u> |

The majority of the Group's sales are with credit terms of 30 to 90 days. In some cases, customers may be granted extended credit period up to 120 days. Certain balances over 90 days old are on letter of credit or document against payment.

10. Trade payables, accruals and deposits received

Included in the balance are trade payables and their aging analysis is as follows:

| | | 0 – 30 days 少于三十日 HK\$'000 千港元 | 31 – 60 days 三十一日 至六十日 HK\$'000 千港元 | 61 – 90 days 六十一日 至九十日 HK\$'000 千港元 | Over 90 days 超过九十日 HK\$'000 千港元 | Total 合计 HK\$'000 千港元 |
|------------------------------|-----------------|--|--|--|---|--------------------------------|
| Balance at 30 September 2006 | 于二零零六年九月三十日之结馀 | <u>10,378</u> | <u>5,379</u> | <u>871</u> | <u>3,168</u> | <u>19,796</u> |
| Balance at 31 March 2006 | 于二零零六年三月三十一日之结馀 | <u>9,700</u> | <u>2,429</u> | <u>2,923</u> | <u>1,099</u> | <u>16,151</u> |

11. Obligations Under Finance Leases

| | | |
|--|-------------------|--|
| Within one year | 一年内 | |
| In the second year to fifth year inclusive | 第二年至第五年(首尾两年包括在内) | |

9. 应收贸易账款、其他应收账款、按金及预付款

包括在结馀内之应收贸易账款、拨备净值及其账龄分析如下:

| | | 0 – 30 days 少于三十日 HK\$'000 千港元 | 31 – 60 days 三十一日 至六十日 HK\$'000 千港元 | 61 – 90 days 六十一日 至九十日 HK\$'000 千港元 | Over 90 days 超过九十日 HK\$'000 千港元 | Total 合计 HK\$'000 千港元 |
|------------------------------|-----------------|--|--|--|---|--------------------------------|
| Balance at 30 September 2006 | 于二零零六年九月三十日之结馀 | <u>18,698</u> | <u>14,736</u> | <u>14,645</u> | <u>17,721</u> | <u>65,800</u> |
| Balance at 31 March 2006 | 于二零零六年三月三十一日之结馀 | <u>24,720</u> | <u>8,492</u> | <u>5,281</u> | <u>13,915</u> | <u>52,408</u> |

本集团之营运大部份以挂账形式进行, 信贷期为30至90日。某些情况下客户可享有关至120日信贷期。若干结馀超过90日则为信用状或付款交单。

10. 应付贸易账款、预提费用及已收按金

包括在结馀内之应付贸易账款及其账龄分析如下:

| | | 0 – 30 days 少于三十日 HK\$'000 千港元 | 31 – 60 days 三十一日 至六十日 HK\$'000 千港元 | 61 – 90 days 六十一日 至九十日 HK\$'000 千港元 | Over 90 days 超过九十日 HK\$'000 千港元 | Total 合计 HK\$'000 千港元 |
|------------------------------|-----------------|--|--|--|---|--------------------------------|
| Balance at 30 September 2006 | 于二零零六年九月三十日之结馀 | <u>10,378</u> | <u>5,379</u> | <u>871</u> | <u>3,168</u> | <u>19,796</u> |
| Balance at 31 March 2006 | 于二零零六年三月三十一日之结馀 | <u>9,700</u> | <u>2,429</u> | <u>2,923</u> | <u>1,099</u> | <u>16,151</u> |

11. 融资租约负债

| | |
|---|--|
| 30 September 2006 二零零六年 九月三十日 HK\$'000 千港元 | 31 March 2006 二零零六年 三月三十一日 HK\$'000 千港元 |
| 83 | 159 |
| – | 39 |
| <u>83</u> | <u>198</u> |

攀向新高峰，
我们不再原地踏步，
我们不再故我，
我们，
在同一跑道！

12. Share capital

At 1 April 2005 and 30 September 2006

At 1 April 2005 and 30 September 2006

13. 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 2006, the Group had indemnities in respect of performance bonds amounting to approximately HK\$1,652,000 (31 March 2006: Nil) given to certain customers in respect of commitments for the supply of goods to such customers.
- (c) As at 30 September 2006, the Company had guarantees given to certain banks for banking facilities granted to certain subsidiaries to the extent of approximately HK\$60,000,000 (31 March 2006: HK\$60,000,000).

Apart from the above, the Group and the Company had no material litigation or contingent liabilities as at 30 September 2006 and up to the date of the approval of these interim accounts.

12. 股本

二零零五年四月一日至二零零六年九月三十日

二零零五年四月一日至二零零六年九月三十日

13. 或然负债

- (a) 二零零一年八月，本公司之一家附属公司（「该附属公司」）起诉一名客户（「被告」），就销售及交付予被告之货品追讨约5,333,000港元。被告于二零零一年九月就指称违反与该附属公司订立之供应协议指称产生之损失及损害向该附属公司提出追讨约6,148,000港元之反申索。此诉讼尚在交换专家报告阶段，本公司董事根据所获独立法律意见，认为该附属公司就被告之反申索胜数甚高，因此并无就反申索所追讨金额于本集团账目内作出拨备。
- (b) 于二零零六年九月三十日，本集团就承诺供应货品予若干客户而向有关客户提供之履约保证作出赔偿保证约1,652,000港元（二零零六年三月三十一日：无）。
- (c) 于二零零六年九月三十日，本公司就若干附属公司所动用银行融资向若干银行作出约60,000,000港元（二零零六年三月三十一日：60,000,000港元）之担保。

除上述者外，本集团及本公司于二零零六年九月三十日至账目获核准日期并无任何重大诉讼或或然负债。

| Authorised ordinary shares of HK\$0.1 each 每股面值0.1港元之法定普通股 | |
|---|-----------------|
| No. of shares 股份数目 | HK\$'000 千港元 |
| 1,000,000,000 | 100,000 |
| Issued and fully paid ordinary shares of HK\$0.1 each 每股面值0.1港元之已发行及 缴足股款普通股 | |
| No. of shares 股份数目 | HK\$'000 千港元 |
| 200,000,000 | 20,000 |

14. Commitments

Commitments under operating leases

At 30 September 2006, the Group had total future aggregate minimum lease payments in respect of land and buildings under non-cancellable operating leases as follows:

| | |
|---|-------------|
| No later than one year | 一年内 |
| Later than one year and not later than five years | 多于一年,但不超过五年 |

15. Related party transactions

During the period, the Group undertook the following material transactions with Negotiator Consultants Limited ("NCL"), a company in which Mr. TSE Sun Fat, Henry, Mr. TSE Sun Po, Tony, Mr. TSE Sun Lung, Alan, and Mr. WONG Tin Cheung, Ricky, has beneficial interests, in the normal course of business at terms mutually agreed between the Group and NCL.

Related party relationship
关连交易关系

Key management personnel, including directors
主要管理人员(包括董事)

A company under common control by the directors of
the Company (note)
一间公司受控于本公司董事(附注)

Nature of transaction
交易性质

Short-term employee benefits
短期员工福利

Rental expenses paid to Negotiator Consultants
Limited ("NCL")
租金交付Negotiator Consultants Ltd (NCL)

14. 承担

经营租约的承担

于二零零六年九月三十日,本集团根据不可撤销之土地及楼宇经营租赁而于未来支付之最低租贷付款总额如下:

| Unaudited 未经审核 30 September 2006 二零零六年 九月三十日 HK\$'000 千港元 | Audited 经审核 31 March 2006 二零零六年 三月三十一日 HK\$'000 千港元 |
|--|--|
| 22,023 | 12,752 |
| 20,224 | 10,418 |
| <u>42,247</u> | <u>23,170</u> |

15. 有关连人士

本集团于年度内与Negotiator Consultants Ltd (NCL), 本集团之董事谢新法先生、谢新宝先生、谢新龙先生及黄天祥先生于NCL均有利益, 在日常业务中按本集团与NCL互相议定的条款进行之重大交易如下:

| Unaudited 未经审核 Six months ended 30 September 截至九月三十日止六个月 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
|---|----------------------------------|
| 2,152 | 2,139 |
| <u>1,476</u> | <u>1,235</u> |

Reach a new climax,
We are no more
on the same step.
We are no more
on the same individual.

**We are, on the
same race!**

Note: NCL is a company in which Mr. TSE Sun Fat, Henry, Mr. TSE Sun Po, Tony, Mr. TSE Sun Lung, Alan, and Mr. WONG Tin Cheung, Ricky, have beneficial interests. The rental expenses paid were in the normal course of business at terms mutually agreed between the Group and NCL.

16. Ultimate holding company

The directors regard Tse Brother Assets Management Limited, a company incorporated in the British Virgin Islands, as being the ultimate holding company.

On behalf of the Board
TSE, Sun Fat, Henry
Chairman

Hong Kong
21 November 2006
website: www.ebon.com.hk

附注： 谢新法先生、谢新宝先生、谢新龙先生及黄天祥先生于NCL均有利益，在日常业务中按本集团与NCL互相议定的条款支付租金。

16. 最终控股公司

董事视于英属处女群岛注册成立之Tse Brother Assets Management Limited为最终控股公司。

承董事会命
主席
谢新法

香港
二零零六年十一月二十一日
网址：www.ebon.com.hk

