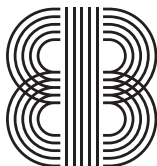


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E. BON HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

怡邦行控股有限公司

Announcement

In view of the current economic and business environment on e-commerce and the adoption and implementation of the Government policy on sustainability development the management of the Company has reviewed the business strategies and the intended use of net proceeds from the new issue and placing on 28th March, 2000 and decided on the following:

1. to cease any further plan in respect of the development of e-commerce for sales of the products distributed by the Group
2. to apply the proceeds intended for (1) above evenly as follows:
 - i. to secure more distributorship of architectural hardware, kitchen wares and bathroom accessories product lines which have always been the core business of the Group.
 - ii. for other investment opportunities which are mainly in line with the core or related business of the Group and/or the supply of products and services to the buildings which related to the sustainability development such as technology for wastewater treatment; and
 - iii. for bio-therapeutic equipment with both home and commercial applications.

It was originally stated in the Prospectus for New Issue and Placing dated 28th March, 2000 that about HK\$12 million out of approximately HK\$62 million derived from the new issue and placing of 60,000,000 new shares of the Company would be applied to enhance existing computer systems and software application to support the development of e-commerce for sale of the products distributed by the Group. As at the date of this announcement, HK\$2.33 million have been used for the intended purposes, the balance amounts for this intended use amounted to approximately HK\$9.67 million for which no further agreement and/or capital commitment has been entered into by the Company for this intended use. In view of the current economic and business environment on the business of e-commerce and the opportunity presented itself as a result of the implementation of the government policy on sustainability development, the management of the Company has reviewed its business strategies and the intended use of net proceeds from the new issue and placing and decided on the following:

1. to cease any further plan in respect of the development of e-commerce for sales of the products distributed by the Group, which has not made material contribution to the Group's sales nor its profitability;
2. to apply the proceeds intended for (1) above evenly as follows:
 - i. to secure more distributorship of architectural hardware, kitchen wares and bathroom accessories product lines which have always been the core business of the Group.
 - ii. for other investment opportunities which are mainly in line with the core or related business of the Group and/or the supply of products and services to the buildings which related to the sustainability development such as technology for wastewater treatment; and
 - iii. for bio-therapeutic equipment with both home and commercial applications.

By order of the Board of
E. Bon Holdings Limited
WONG Tin Cheung, Ricky
Director

Hong Kong, 5th August, 2002