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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**

This announcement is to update the investors and shareholders of further development of a recent litigation between Chun Yip Construction Company Limited ("Chun Yip") and E. Bon Building Materials Company Limited ("the Subsidiary"), a wholly owned subsidiary of E. Bon Holdings Limited ("the Company") ( Ref: HCCT 77/2002 ) and is also made in response to certain articles published recently in a number of newspapers.

The Subsidiary has applied to the Court for striking out of this action on the grounds that it is scandalous, frivolous or vexatious, and/or otherwise an abuse of the process of the Court.

Further announcement will be made to inform the investors and shareholders of the latest development of the above matter as and when appropriate.

### **THE FACTS**

The dispute related to the supply of certain ironmongeries to Chun Yip by one of the subsidiaries of the Company, E. Bon Building Materials Company Ltd (the "Subsidiary") for the site at Robinson Road during the period from 13th February, 2001 to 28th September, 2001. The project was completed and an occupation permit was issued on 25th August, 2001. However, Chun Yip had refused and/or failed to pay the balance of outstanding invoices in the sum of HK\$456,825.51 as of 3rd November, 2001. The Subsidiary commenced legal proceedings against Chun Yip for non-payment and summary judgment was entered against Chun Yip on 20th February, 2002 and Chun Yip sought to appeal the Decision. However, full and final payment of ironmongeries was eventually received by the Subsidiary upon Chun Yip's withdrawal of their appeal on 4th April, 2002.

### **THE COMPANY'S RESPONSE**

Chun Yip has made allegations that the Subsidiary is in breach of the contract with a speculative claim for an estimated sum of HK\$5.38 million and commenced a legal action against the Subsidiary on 17th August, 2002 but the Writ of the Summons was not effectively served upon the Subsidiary until 23rd August, 2002. The Subsidiary has, upon the advice of its counsel, on 28th August, 2002 applied to the Court to strike out this action on the grounds that the issues in this action had been conclusively determined and/or should have been adjudicated in the previous action and is scandalous, frivolous or vexatious, and/or otherwise an abuse of the process of the Court.

The Directors believe that this litigation has no material impact on the business of the Company and its subsidiaries as a whole. Further announcement will be made to inform the investors and shareholders of the latest development of the above matter as and when appropriate.

Shareholders of the Company and investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board  
**Wong Tin Cheung, Ricky**  
Executive Director

Hong Kong 28th August, 2002