



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

怡邦行控股有限公司

(Stock Code: 599)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2004

The directors of E.Bon Holdings Limited (the "Company") announce that unaudited condensed results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2004 are as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2004

		Unaudited Six months ended 30 September 2004	2003
	Note	HK\$'000	HK\$'000
Turnover	1	95,589	72,585
Cost of sales		(58,583)	(50,468)
Gross profit		37,006	22,117
Other revenue		97	165
Selling and distribution expenses		(15,394)	(17,609)
Administrative expenses		(18,220)	(10,795)
Operating profit/(loss)	2	3,489	(6,122)
Finance costs		(17)	(35)
Profit/(loss) before taxation		3,472	(6,157)
Taxation	3	(33)	689
Profit/(loss) attributable to shareholders		3,439	(5,468)
Basic earnings/(loss) per share	4	HK2 cents	(HK3 cents)

Notes:

1. Turnover, revenue and segment information

The Group is principally engaged in the importing and sale of architectural builders hardware and bathroom collections in Hong Kong.

All of the turnover and operating profit of the Group for the period are contributed by importing and sales of architectural builders hardware and bathroom collection.

	Unaudited Six months ended 30 September 2004	2003
	HK\$'000	HK\$'000
Turnover		
Wholesale	88,453	66,540
Retail	29,396	18,424
Inter-segment elimination	(22,260)	(12,379)
Total turnover	95,589	72,585
Segment operating profit/(loss)		
Wholesale	2,093	1,426
Retail	1,396	(7,548)
Total operating profit/(loss)	3,489	(6,122)

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.

2. Operating profit

Operating profit is stated after depreciation of fixed assets of HK\$2,266,000 (30 September 2003: HK\$2,042,568).

3. Taxation

No provision for Hong Kong profits tax has been made in the accounts as the Group has accumulated tax losses brought forward from previous periods.

4. Earnings per share

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of HK\$3,439,000 (six months ended 30 September 2003: loss of HK\$5,468,000) and 200,000,000 shares (30 September 2003: 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.

INTERIM DIVIDEND

The directors recommend that the profit for the six months ended 30 September 2004 be transferred to reserves and do not recommend any interim dividend be paid to shareholders for this period.

REVIEW OF OPERATIONS

For the past six months ended 30 September 2004, the Group's unaudited accounts show that consolidated turnover was HK\$95.59 million represents a 31% increase from the same period in 2003 (six months ended 30 September 2004: HK\$72.58 million) and contrary to last year, consolidated profit after taxation was HK\$3.44 million (six months ended 30 September 2003: loss HK\$5.46 million). As reported in our annual report of 2004, the economic recovery of Hong Kong appears to hold during the period, the increase in sales of apartments, particularly luxurious apartments, leads to a healthy increase in turnover. Moreover, the gradual improvement in local economy also help our wholesale and retail business which constitutes approximately 50% of our sales with higher profit margin than those of project sales.

During the period, we have been awarded a number of prestige residential projects, including Grand Promenade and Chelsea Court while the supply of materials for theme Park Resort Project in Lantau Island continue. The sales to projects in China have been moving steadily and the Group has established over sixty 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.

We are pleased to welcome Messrs. YICK Kai Chung and WAN Sze Chung who joined the board of directors in July and September 2004 in the capacity as Executive Director and Independent Non-Executive Director respectively. In addition, the Group's workforce consists of 110 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. Despite the continue weakening of Hong Kong Dollars against other foreign currencies such as Euro and Japanese Yen, which has an adverse effect on gross margin as we have not been able to pass on such costs increased to our customers, we are still able to improve our profit margin to 38% (30 September 2003: 30%) contributed by our wholesale and retail operations, the Group holds approximately HK\$27 million in cash deposit and has no bank borrowings (31 March 2004: nil). At 30 September 2004, the Group's current ratio, which is calculated based on current assets over current liabilities, was 5.43 (31 March 2004: 5.76). During the period, the Group has no significant exposure to foreign currency fluctuation and no assets of the Group was held under charge. Moreover, the Group has no material capital commitment as at 30 September 2004.

FUTURE PROSPECTS

We continue to hold the view that the continue reduction in the number of owners of negative equity will help to improve the general spending. It appears that the relaxation of individual travelers from China to Hong Kong has taken effects. The influx of mainland visitors results in the further improvement of general spending locally and the notable increase in number of renovation projects for hotels which has generated more sales in both metal hardware and bathroom accessories. In addition, the introduction of investor immigrants scheme helps to motivate the construction and sale of luxurious apartments in Hong Kong. During the period, we rationalized our retail operation when ViA is rebranded from OVO Living, our showroom for luxury kitchen and bathroom accessories and in October 2004, we opened another outlet at Lockhart Road, Wan Chai to strengthen our presence in the area.

CONTINGENT LIABILITIES

- In August 2001, a subsidiary of the Company ("the Subsidiary") Company sued one of its customers (the "Customer") for recovery of an amount of approximately HK\$5,333,000 in respect of goods sold and delivered. In September 2001, the Customer 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 Customer and the Subsidiary. The proceedings are still in the pleadings stage and the directors of the Subsidiary, on the basis of independent legal advice obtained, consider the Subsidiary has a good arguable case against the Customer for the counter-claim and accordingly no provision in respect of the amount of the counter-claim has been made in the accounts.
- As at 30 September 2004, the Group had indemnities in respect of performance bonds amounting to approximately HK\$29,000 (31 March 2004: HK\$29,000) given to certain customers in respect of commitments for the supply of goods to such customers.

Apart from the above, the Group had no material litigation or contingent liabilities as at 30 September 2004 and up to the date of the approval of these condensed interim accounts.

PURCHASE, SALES OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES
None of the directors of the Company is aware of any information which would indicate that the Group is not, or was not, in compliance with the Code of Best Practice as set out in Appendix 14 in the Listing Rules of The Stock Exchange of Hong Kong Limited at any time during the six months ended 30 September 2004, except the independent non-executive director of the Company who joined the Group in September 2004 and non-executive director are not appointed for a specific term as they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Articles of Association.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted 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 2004.

PUBLICATION OF FINANCIAL INFORMATION

The unaudited condensed interim report of the Group for the six months ended 30 September 2004 containing all the information required by paragraphs 46(1) to 46(6) of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange will be published on the website of the Stock Exchange.

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

Hong Kong, 24 November 2004
Website: www.ebon.com.hk

As at the date hereof, the Board of Directors comprises, Mr. Tse Sun Fat Henry, Mr. Tse Sun Po Tony, Mr. Tse Sun Lung Alan, Mr. Wong Tin Cheung Ricky, Mr. Lau Shiu Sun and Mr. Yick Kai Chung Donald as Executive Directors; Mr. Mak So as Non-executive Director and Mr. Leung Kwong Kin JP, Mr. Wong Wah Dominic and Mr. Wan Sze Chung as Independent Non-executive Directors.