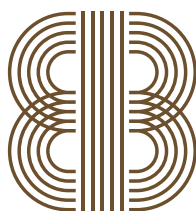


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E. BON HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

怡 邦 行 控 股 有 限 公 司

(Stock Code: 599)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

The board of directors (the “Board”) of E. Bon Holdings Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2011.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

		Unaudited Six months ended 30 September 2011	2010
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	2	186,992	201,579
Cost of sales		(116,755)	(127,639)
Gross profit		70,237	73,940
Other income	2	76	54
Selling and distribution expenses		(35,146)	(31,902)
Administrative expenses		(27,498)	(24,959)
Finance costs		(332)	(324)
Profit before income tax	3	7,337	16,809
Income tax expenses	4(a)	(453)	(3,626)
Profit for the period		6,884	13,183
Other comprehensive income, net of tax			
Exchange difference on translation on financial statements of foreign operation		784	334
Total comprehensive income for the period		7,668	13,517
Dividends	5	3,003	3,003
Basic earnings per share	6	HK2.29 cents	HK4.39 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

		Unaudited	Audited
		30 September	31 March
		2011	2011
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		128,265	128,514
Deferred tax assets	4(b)	2,960	2,049
		<u>131,225</u>	<u>130,563</u>
Current assets			
Inventories		95,858	90,344
Trade and other receivables	7	139,009	131,191
Cash and cash equivalents		58,354	43,984
		<u>293,221</u>	<u>265,519</u>
Current liabilities			
Bank overdrafts		505	—
Trade and other payables	8	90,842	59,116
Interest-bearing borrowings		43,258	41,181
Provision for tax		6,455	5,052
		<u>141,060</u>	<u>105,349</u>
Net current assets		<u>152,161</u>	<u>160,170</u>
Total assets less current liabilities		<u>283,386</u>	<u>290,733</u>
Non-current liabilities			
Deferred tax liabilities	4(b)	2,273	2,273
NET ASSETS		<u>281,113</u>	<u>288,460</u>
EQUITY			
Share capital		30,030	30,030
Reserves		251,083	258,430
TOTAL EQUITY		<u>281,113</u>	<u>288,460</u>

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited interim condensed consolidated 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.

The basis of preparation and accounting policies adopted in preparing these interim condensed consolidated financial statements are consistent with those adopted in the preparation of the Group’s annual financial statements for the year ended 31 March 2011 except for the adoption of the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) (which included individual Hong Kong Financial Standards, HKASs and Interpretations) issued by the HKICPA that have become effective for accounting period beginning on or after 1 April 2011:

HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards — Limited Exemption from Comparative HKFRS 7 Disclosures for first-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC)-Int 14 Amendment	Amendment to HK(IFRIC)-Int 14 Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments
Annual Improvements Project	Improvements to HKFRSs 2010

The adoption of these amendments and interpretations had no material financial impact on the Group’s results and financial position for the current and prior accounting periods.

2. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the importing and sale of architectural builders hardware, bathroom, kitchen collections and furniture. Revenue recognised is as follows:

	Unaudited Six months ended 30 September	
	2011	2010
	HK\$’000	HK\$’000
Revenue — sales of goods	186,992	201,579
Other revenue	4	24
Interest income	72	30
	187,068	201,633

Primary reporting format — business segments

The Group is primarily engaged in two main business segments:

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

	Unaudited Six months ended 30 September 2011		
	Wholesale HK\$'000	Retail HK\$'000	Total HK\$'000
Revenue			
— From external customers	128,694	58,298	186,992
— Inter-segment sales	28,510	—	28,510
Reportable segment revenue	157,204	58,298	215,502
Reportable segment profit	518	7,151	7,669
Reportable segment assets	350,901	67,443	418,344
Reportable segment liabilities	103,906	30,699	134,605
	Unaudited Six months ended 30 September 2010		
	Wholesale HK\$'000	Retail HK\$'000	Total HK\$'000
Revenue			
— From external customers	155,963	45,616	201,579
— Inter-segment sales	21,531	—	21,531
Reportable segment revenue	177,494	45,616	223,110
Reportable segment profit	14,285	2,848	17,133
Reportable segment assets	224,432	27,547	251,979
Reportable segment liabilities	73,830	156	73,986

The total reportable segment profit can be reconciled to the Group's profit before income tax as presented in this interim financial report as follows:

	Unaudited	
	Six months ended	
	30 September	
	2011	2010
	HK\$'000	HK\$'000
Total reportable segment profit	7,669	17,133
Finance costs	(332)	(324)
Profit before income tax	7,337	16,809

GEOGRAPHIC INFORMATION

	Revenue from		Non-current assets	
	external customers		Unaudited	
	Unaudited		Balance at	
	Six months ended		30 September	
	30 September		31 March	
	2011	2010	2011	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong (domicile)	172,005	160,403	125,665	127,166
Mainland China	14,987	41,176	2,600	1,348
Total	186,992	201,579	128,265	128,514

3. PROFIT BEFORE INCOME TAX

	Unaudited	
	Six months ended	
	30 September	
	2011	2010
	HK\$'000	HK\$'000
This is stated after charging/(crediting):		
Cost of inventories	116,755	127,639
Depreciation on property, plant and equipment	4,582	4,122
Net exchange loss	147	117
Operating lease payments in respect of premises	20,328	18,454
Provision/(Write back) for slow-moving inventories, included in cost of inventories	6,222	(4,324)
Staff costs, including directors' emoluments	19,322	17,936

4. INCOME TAX EXPENSES

- (a) Hong Kong Profits Tax has been provided at the rate of 16.5% (2010: 16.5%) of the estimated assessable profits for the period. The income tax provision in respect of operations in the People's Republic of China and overseas is calculated at the applicable tax rates on the estimated assessable profits for the period based on existing legislation, interpretations and practices in respect thereof.

The charge comprises:

	Unaudited	
	Six months ended	
	30 September	
	2011	2010
	HK\$'000	HK\$'000
Current tax		
Hong Kong Profits Tax	931	1,441
Mainland China Enterprise Income Tax	433	2,185
	1,364	3,626
Deferred tax	(911)	—
Tax expenses for the period	453	3,626

- (b) Deferred taxation is calculated using the liability method on temporary differences at the reporting date between the carrying amount of assets and liabilities in the consolidated financial statements and their respective tax bases.

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

	Unaudited	Audited
	30 September	31 March
	2011	2011
	HK\$'000	HK\$'000
At beginning of period/year	224	3,190
Deferred taxation charged to profit or loss/equity	(911)	(2,966)
At the end of the period/year	(687)	224
Represented by:		
Deferred tax liabilities	2,273	2,273
Deferred tax assets	(2,960)	(2,049)
	(687)	224

5. DIVIDENDS

The Board has resolved to recommend the payment of dividend of HK1.0 cent (2010: HK1.0 cent).

	Unaudited	
	Six months ended	
	30 September	
	2011	2010
	HK\$'000	HK\$'000
Interim dividend of HK1.0 cent (2010: HK1.0 cent) per share	3,003	3,003

At a Board meeting held on 23 November 2011, the Board of Directors proposed an interim dividend of HK1.0 cent (30 September 2010: HK1.0 cent) per ordinary share. Such proposed interim dividend is not reflected as dividend payables in the Group's financial statements for the period.

6. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit for the period of HK\$6,884,000 (six months ended 30 September 2010: HK\$13,183,000) and the 300,300,000 ordinary shares (30 September 2010: 300,300,000 ordinary shares) in issue during the period. Diluted earnings per share for the periods were not disclosed as there were no dilutive potential ordinary shares.

7. TRADE RECEIVABLES

Included in the balance are trade receivables, net of provision, with the following ageing analysis:

	0–30 days	31–60 days	61–90 days	Over 90 days	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Balance at 30 September 2011	77,844	10,467	4,588	13,037	105,936
Balance at 31 March 2011	63,688	7,314	11,154	19,890	102,046

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 are on letter of credit or document against payment.

8. TRADE PAYABLES

Included in the balance are trade payables with the following ageing analysis:

	0–30 days	31–60 days	61–90 days	Over 90 days	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Balance at 30 September 2011	27,663	1,176	1,073	5,857	35,769
Balance at 31 March 2011	28,635	510	491	2,762	32,398

INTERIM DIVIDEND

The Board of Directors has resolved to recommend the payment of an interim dividend of HK1.0 cent per share to be paid on 12 January 2012 (Thursday) 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 7 December 2011 (Wednesday).

CLOSURE OF REGISTER OF MEMBERS

The Company’s Register of Members will be closed from 8 December 2011 (Thursday) to 13 December 2011 (Tuesday), 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, Tricor Abacus Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Hong Kong no later than 4:30 p.m. on 7 December 2011 (Wednesday).

REVIEW OF OPERATIONS

For the past six months ended 30 September 2011, the Group’s unaudited accounts shows that consolidated revenue was HK\$187.0 million (six months ended 30 September 2010 HK\$201.6 million) and consolidated profit after tax was HK\$6.9 million (six months ended 30 September 2010: HK\$13.2 million). During this period, property developers in Hong Kong have been cautiously monitoring the impact of the changes in the world economy has on the property market, while the rate of completion of residential property continues to ease off. The Group’s operation was in line with the current trend of business development; general inflation brought by the devaluation of Hong Kong Dollars against other currencies (such as Renminbi) and the increase in rental expenses raised the level of expenditure in the period. The newly developed business line in premium class furniture and fittings is promising and has attracted project sales in forthcoming years, in addition, this also helps us in gaining additional agencies for more branded products. Our flagship showroom in Shanghai is scheduled to have its grand opening during this financial year, when we expect that it will open up ample of opportunities for project sales in kitchen fittings and furniture in the Mainland.

FINANCIAL POSITION

The Group records profit after taxation during the period and its overall financial position is sound. Gross margin is at 37.6% (30 September 2010: 36.7%) which is in line with the year ended 31 March 2011 of 39.1%. The profit before taxation for the period amounts to HK\$7.3 million representing a decrease of 56.4%. The increase in expenditure reflected the increase in rents of our showrooms and retail outlets, preliminary expenses of new showrooms and general inflationary increases in the overhead expenditure, the profit after tax amounts to HK\$6.9 million. In view of the turbulences in the world economy, the Group prudently

increases its cash holdings to approximately HK\$57.8 million (31 March 2011: HK\$44.0 million) and interest-bearing borrowings totalling HK\$43.3 million, in which HK\$12.9 million is the mortgage of office properties including HK\$11.6 million repayable after more than one year. The Group current ratio is 2.08, which is after accounting for final and special bonus dividends of \$15.0 million in respect of year ended 31 March 2011 paid in October 2011 (31 March 2011: 2.52, no final dividend of 31 March 2011 was accounted). This ratio is calculated based on current assets over current liabilities. During the period, the Group has no significant exposure to foreign currency fluctuation. Assets under charge are the mortgaged property acquired and the Group has no material capital commitment as at 30 September 2011.

FUTURE PROSPECTS

During this period, the turbulences in the Europe and the United States economies and China Government's measures to tighten up credits with a view to cool down the speculative property market will inevitably affect us, although we expect that the China economy shall continue its expansion and we share the majority view of the business community that conservative measures should be taken for any unforeseeable effects from these fiscal policies.

Despite the uncertainty, we have taken measures to prepare ourselves for revitalisation in economies. In this financial year, we have set up two further subsidiaries in China, namely, ViA (Shanghai) Limited and Massford (Shanghai) Limited, to cater for the market in kitchen fittings and project sales of building materials. In view of the shifting from "Made in China" to "Made for China" as a result of the expansion in the Mainland, we are looking into opportunities in collaborating with manufacturers of quality products with a view to satisfying specific needs of our customers in the Market.

CONTINGENT LIABILITIES

The Group and the Company had no material litigation or contingent liabilities as at 30 September 2011 and up to the date of the approval of these interim financial statements.

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.

COMPLIANCE OF CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions in the Code of Corporate Governance Practice (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the six months ended 30 September 2011, 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 of service. 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.

COMPLIANCE OF MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by directors. Having made specific enquiry of the directors, all directors have confirmed compliance with the required standard as set out in the Model Code throughout the six months ended 30 September 2011.

REVIEW OF INTERIM RESULTS

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 financial statements for the six months ended 30 September 2011.

PUBLICATION OF FINANCIAL INFORMATION

This results announcement is published on the websites of the Company (www.ebon.com.hk) and the Stock Exchange of Hong Kong Limited (www.hkex.com.hk). The Company’s Interim Report 2011 will be despatched to the shareholders and available on the same websites in due course.

By order of the Board
TSE Sun Fat, Henry
Chairman

Hong Kong, 23 November 2011

Website: www.ebon.com.hk

As at the date hereof, the Board of Directors comprises eight Directors, of which five are Executive Directors, namely Messrs. TSE Sun Fat, Henry, TSE Sun Po, Tony, LAU Shiu Sun, YICK Kai Chung and TSE Hon Kit, Kevin and three are Independent Non-executive Directors, namely Messrs. LEUNG Kwong Kin, J.P., WONG Wah, Dominic and WAN Sze Chung.