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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)

CONTINUING CONNECTED TRANSACTION RENEWAL OF TENANCY AGREEMENT

The Board of the Company announces that E. Bon Building Materials Company Limited, a wholly owned subsidiary of E. Bon Holdings Limited, has renewed the Tenancy Agreement on 13 March 2012 with the Landlord to lease Premises as warehouses.

The Landlord is a company wholly owned by Bache Hill Group Limited, where the substantial shareholders of Bache Hill Group Limited, Fast Way Management Limited, Happy Voice Limited, New Happy Times Limited, Universal Star Group Limited and Mr. Yick Kai Chung, holding totally 65.78% of the issued share capital of Bache Hill Group Limited, are substantial shareholders of the Company, holding altogether 45.80% of the issued share capital of the Company. Therefore, the Landlord is a connected person of the Company within the meaning of Listing Rules. Accordingly, the transaction contemplated under the Tenancy Agreement constitutes a connected transaction for the Company under Rule 14.25 of the Listing Rules.

The Board of Directors (the “Board”) of E. Bon Holdings Limited (the “Company”) announces that E. Bon Building Materials Company Limited (the “Subsidiary”), a wholly owned subsidiary of the Company, has renewed a tenancy agreement (the “Tenancy Agreement”) on 13 March 2012 with the Landlord to lease Premises as warehouses. The principal terms of the Tenancy Agreement are as follows:

Date	: 13 March 2012
Landlord	: Negotiator Consultants Limited
Tenant	: E. Bon Building Materials Company Limited
Premises	: Factory Units A-D on 12th-14th Floor (inclusive) of E. Tat Factory Building, No. 4 Heung Yip Road, Wong Chuk Hang, Hong Kong and Car parking spaces Nos. 3 and 28 of the same building
Lease Term	: 3 years commencing from 20 March 2012 and expiring on 19 March 2015 (both days inclusive) with an option to renew for a further term of 3 years

Rent	: HK\$205,000 per month Exclusive of management fee, government rent, government rates and other outgoings
Annual Rent payable	: HK\$2,460,000
Aggregate value of consideration	: HK\$7,380,000
Rent free period	: No rent free period

Since March 2000, the Landlord has been leasing the Premises to the Company and its subsidiaries as warehouses. The previous tenancy agreement dated 10 March 2009 (the “Previous Tenancy Agreement”), at a monthly rent of HK\$185,000, shall expire on 19 March 2012, details of which were included in an announcement dated 11 March 2009.

The Rent was agreed after negotiation by making reference to the market rate for similar premises in the vicinity. The directors together with the independent non-executive directors of the Company consider that the terms of Tenancy Agreement are (a) on normal commercial terms, (b) at market rate, (c) fair and reasonable so far as the Company and its shareholders as a whole are concerned and (d) in the interests of the Company.

The Rent will be paid by the Subsidiary from its internal resources.

There is no provision for early termination in the Tenancy Agreement.

CONTINUING CONNECTED TRANSACTION

The Landlord is a company wholly owned by Bache Hill Group Limited, where the substantial shareholders of Bache Hill Group Limited, Fast Way Management Limited, Happy Voice Limited, New Happy Times Limited, Universal Star Group Limited and Mr. Yick Kai Chung, holding totally 65.78% of the issued share capital of Bache Hill Group Limited, are substantial shareholders of the Company, holding altogether 45.80% of the issued share capital of the Company. Therefore, the Landlord is a connected person of the Company within the meaning of Rule 14A.11 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Accordingly, the transaction contemplated under the Tenancy Agreement constitutes a continuing connected transaction for the Company under the Listing Rules.

Pursuant to Rule 14A.35(2) of the Listing Rules, the maximum aggregate annual value of the said continuing connected transaction for the financial years ending on 31 March 2012, 31 March 2013 and 31 March 2014 is HK\$2,460,000.

Pursuant to Rule 14A.34 of the Listing Rules, as the aggregate annual rent payable under the Tenancy Agreement, being HK\$2,460,000, is less than 5% of each of the applicable percentage ratios and the annual consideration is less than HK\$10,000,000, which is below the threshold as required under the said Rule 14A.34 of the Listing Rules, the Company is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholder's approval requirements. Details of the Tenancy Agreement will be included in the annual report and accounts of the Company, which is subject to annual review requirements under Rules 14A.37 to 14A.40, for each of the relevant financial years in accordance with Rule 14A.46 of the Listing Rules.

It is noted that Mr. Tse Sun Fat, Henry, Mr. Tse Sun Po, Tony, Mr. Yick Kai Chung and Mr. Tse Hon Kit, Kevin have interests in Negotiator Consultants Limited, having declared their interests in respect thereof, all of them abstained from voting at the board resolution.

INFORMATION ON THE COMPANY AND THE LANDLORD

The E. Bon Group of companies (all the wholly owned subsidiaries of the Company) is particularly engaged in the importing and sale of architectural builders hardware, bathroom, kitchen collections and furniture in Hong Kong, Macau and the mainland China.

The Landlord is engaged in investment and property holding activities.

By Order of the Board
E. Bon Holdings Limited
Lau Shiu Sun
Executive Director

Hong Kong, 13 March 2012

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.