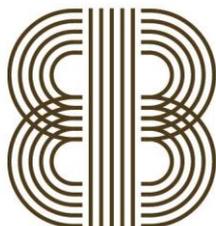


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**E. BON HOLDINGS LIMITED**  
(Incorporated in the Cayman Islands with limited liability)  
**怡邦行控股有限公司**

(Stock Code: 599)

## **CONTINUING CONNECTED TRANSACTION**

Reference is made to the Company's Announcement dated 31 March 2015 regarding the Previous Tenancy Agreement in respect of the Premises as warehouse expiring on 31 March 2018. The Board hereby announces that the Subsidiary on 22 March 2018 entered into a new tenancy agreement for a term of three years commencing on 1 April 2018 with the Landlord.

The Landlord is considered as a connected person of the Company within the meaning of Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the New Tenancy Agreement constitutes a continuing connected transaction for the Company.

Under Rule 14A.76, as all the applicable percentage ratios to continuing connected transactions are less than 5% but is/greater than 0.1%, the entering into the New Tenancy Agreement is therefore exempt from the independent shareholders' approval requirement, but is subject to the announcement, reporting and annual review requirements under Chapter 14A of the Listing Rules.

Reference is made to the Company's Announcement dated 31 March 2015 regarding the Previous Tenancy Agreement entered into between the Subsidiary and the Landlord in respect of the Premises as warehouse for a term of three years commencing from 1 April 2015 and expiring on 31 March 2018. After negotiation, the Subsidiary on 22 March 2018 entered into the New Tenancy Agreement for a term of three years commencing on 1 April 2018 with the Landlord.

## **DETAILS OF NEW TENANCY AGREEMENT**

The principal terms of the New Tenancy Agreement are as follows:

### Date

22 March 2018

### Parties

Tenant: E. Bon Building Materials Company Limited; and  
Landlord: Negotiator Consultants Limited

### Premises location

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 1 April 2018 and expiring on 31 March 2021 (both days inclusive).  
No provision for early termination in the New Tenancy Agreement

### Monthly rent

HK\$336,000 exclusive of management fee, government rates and other outgoings

### Deposit

HK\$1,008,000 representing three months' rental and is payable upon the signing of the New Tenancy Agreement by the Subsidiary

### Annual rent payable

HK\$4,032,000

### Aggregate value of consideration for three years

HK\$12,096,000

### Rent-free period

No rent-free period

### Annual caps

The annual rental payment by the Group under the New Tenancy Agreement for the years ending 31 March 2019, 31 March 2020 and 31 March 2021 respectively is expected to be no more than HK\$4,032,000 per financial year

### Historical figures

For each of the years ended 31 March 2016 and 31 March 2017 and for the year ending 31 March 2018, the total sum of rental paid and payable by the Group to the Landlord amounted to HK\$2,820,000 per year

## **THE CONTINUING CONNECTED TRANSACTION**

The Landlord is a company wholly owned by Bache Hill Group Limited. Fast Way Management Limited, Happy Voice Limited, New Happy Times Limited and Universal Star Group Limited are holding totally 76.43% of the issued share capital of Bache Hill Group Limited.

Our executive director Mr. Tse Sun Fat, Henry is a director/shareholder of Fast Way Management Limited, Mr. Tse Sun Po, Tony is a director of New Happy Times Limited, Mr. Tse Sun Wai, Albert and Mr. Tse Hon Kit, Kevin are directors/shareholders of Universal Star Group Limited.

It is further noted that Fast Way Management Limited, Happy Voice Limited, New Happy Times Limited and Universal Star Group Limited are substantial shareholders of the Company, holding altogether 43.75% of the issued share capital of the Company.

Therefore, the Landlord is considered as a connected person of the Company within the meaning of Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the New Tenancy Agreement constitutes a continuing connected transaction for the Company.

## **LISTING RULE IMPLICATIONS**

The annual cap for each of the financial years ending on 31 March 2019, 31 March 2020 and 31 March 2021 is expected to be HK\$4,032,000 which is less than 5% of all the applicable percentage ratios to continuing connected transactions as required under Rule 14A.76 of the Listing Rules but is/are greater than 0.1%, the entering into the New Tenancy Agreement is therefore exempt from the independent shareholders' approval requirement, but is subject to the announcement, reporting and annual review requirements under Chapter 14A of the Listing Rules.

It is noted that Mr. Tse Sun Fat, Henry, Mr. Tse Sun Wai, Albert, Mr. Tse Sun Po, Tony 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 on the board resolution.

## **REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTION**

Since March 2000, the Landlord has been leasing the Premises to the Company and its subsidiaries as warehouse. The Previous Tenancy Agreement, at a monthly rent of HK\$235,000, will expire on 31 March 2018, details of which were included in the announcement dated 31 March 2015. The Company considers it to be commercially necessary and beneficial to renew the Tenancy Agreement by entering into the New Tenancy Agreement so that the Company and its subsidiaries can continue to use the Premises as warehouses.

The rent was agreed after arm's length negotiations by making reference to (i) the market rate for similar premises in the vicinity based on the report from Memfus Wong Surveyors Limited dated 15 March 2018; and (ii) the previous rental payment made by the Group for renting the Premises. Memfus Wong Surveyors Limited, an independent professional valuer appointed by the Company, has provided the Company with the current rental opinion in respect of the Premises based on market rental information of comparable properties.

The Board (except Mr. Tse Sun Fat, Henry, Mr. Tse Sun Wai, Albert, Mr. Tse Sun Po, Tony and Mr. Tse Hon Kit, Kevin, being the only directors having material interests in the transaction, who had abstained from voting) noted that nothing has come to their attention that caused them to believe that the continuing connected transaction has not been entered into, in all material respects, in accordance with the existing policies of the Company and the relevant rules governing such continuing connected transaction; and that the terms of New Tenancy Agreement are (a) on normal commercial terms, (b) at 11.6% discount with reference to the market rate, (c) fair and reasonable, and (d) in the interest of the Company and its shareholders as a whole; it recommended that the Company be entered into the New Tenancy Agreement.

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

## **THE VIEWS OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

Having considered the terms and conditions of the New Tenancy Agreement and the views of the Board of Directors, the Independent Non-executive Directors, in a board meeting held on 22 March 2018, opined that nothing has come to their attention that caused them to believe that the continuing connected transaction has not been entered into, in all material respects, in accordance with the existing policies of the Company and relevant rules governing such continuing connected transaction and that based on the valuation report from Memfus Wong Surveyors Limited on 15 March 2018, they have come to agree with the views of the Board that that the New Tenancy Agreement is an arm's length transaction which is entered into on normal commercial terms and in the ordinary and usual course of business of the Group. They considered that the New Tenancy Agreement is fair and reasonable and of the terms no less favourable to the Group than those available from independent third parties and that it is in the interests of the Company and of the shareholders of the Company as a whole to enter into the continuing connected transaction.

## **GENERAL**

The principal business activities of the Group are importing, wholesale and installation of architectural builders' hardware, bathroom, kitchen collections and furniture in Hong Kong and the People's Republic of China.

The Landlord is engaged in investment and property holding activities.

## DEFINITIONS

“Board”	The Board of Directors of the Company;
“Company”	E. Bon Holdings Limited;
“Directors”	The directors of the Company;
“Group”	The Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Landlord”	Negotiator Consultants Limited, a wholly-owned subsidiary of Bache Hill Group Limited;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“New Tenancy Agreement”	The tenancy agreement dated 22 March 2018 entered into between the Subsidiary and the Landlord in respect of the Premises for the period of 3 years expiring on 31 March 2021;
“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;
“Previous Tenancy Agreement”	The tenancy agreement dated 31 March 2015 entered into between the Subsidiary and the Landlord in respect of the Premises for the period of 3 years expiring on 31 March 2018;
“Subsidiary”	E. Bon Building Materials Company Limited, an indirect wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

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

Hong Kong, 22 March 2018

*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 Wai, Albert, TSE Sun Po, Tony, TSE Hon Kit, Kevin and LAU Shiu Sun and three are Independent Non-executive Directors, namely Messrs. LEUNG Kwong Kin, J.P., WONG Wah, Dominic and WAN Sze Chung.*