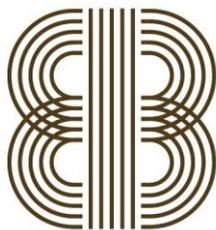


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**E. BON HOLDINGS LIMITED**

(Incorporated in the Cayman Islands with limited liability)

**怡邦行控股有限公司**

(Stock Code: 599)

## **MAJOR TRANSACTION ACQUISITION OF THE PROPERTY**

### **THE ACQUISITION**

The Board is pleased to announce that on 29 May 2020 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) entered into the Preliminary Agreement with the Vendor, pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the Property at the Consideration of HK\$68,500,000.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company and is therefore subject to the announcement, reporting and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition and is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Acquisition. The Company has obtained an irrevocable and unconditional written approval for the Acquisition from a closely allied group of Shareholders comprising Universal Star Group Ltd., Happy Voice Ltd., New Happy Times Ltd., Fast Way Management Limited, Mr. Lo Wai Man, Mr. Yick Kai Chung and Mr. Yik Kai Yiu, representing in aggregate 50.6% of the issued share capital of the Company as at the date of this announcement. Accordingly, in accordance with Rule 14.44 of the Listing Rules, the shareholders' approval requirement in respect of the Acquisition under Chapter 14 of the Listing Rules has been satisfied in lieu of a general meeting of the Company.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among others, further details of the Acquisition is required to be despatched to the Shareholders within 15 business days after publication of this announcement. As (i) it is expected that the parties shall enter into the Formal Agreement for the Acquisition on or before 23 June 2020 and (ii) the Company is in the course of preparing its audited consolidated financial results for the year ended 31 March 2020, the Company requires additional time to ascertain and finalise certain information to be included in the circular. As such, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and make further announcement(s) in relation to the despatch of the circular as and when appropriate.

## THE ACQUISITION

The Board is pleased to announce that on 29 May 2020 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) entered into the Preliminary Agreement with the Vendor, the principal terms of which are as follows:-

**Parties:**

- (a) the Purchaser;
- (b) the Vendor; and
- (c) the Property Agent

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Vendor, the Property Agent and their respective ultimate beneficial owner(s) is a third party independent of the Company and its connected person(s).

**Property to be acquired:** Unit A, Unit B and Unit C on 3/F, Koon Wo Industrial Building, Nos. 63-75 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong

The Property is sold on an “as is” basis.

**Consideration and Payment Terms:** The Consideration is in the sum of HK\$68,500,000, which shall be paid in the following manner:-

- (a) a sum of HK\$3,425,000, being the initial deposit (the “**Initial Deposit**”), was paid to the Vendor’s solicitor as stakeholder upon signing of the Preliminary Agreement;
- (b) a sum of HK\$3,425,000, being the further deposit (together with the Initial Deposit, the “**Deposits**”) shall be paid to the Vendor’s solicitor as stakeholder on or before 23 June 2020; and
- (c) a sum of HK\$61,650,000, being the balance of the Consideration, shall be paid upon Completion.

It is estimated that the total cost of the Acquisition together with the transaction costs such as stamp duty and commission to the Property Agent will be approximately HK\$76,000,000.

The Consideration was determined after arm’s length negotiations between the parties with reference to the prevailing market value of comparable properties available in the vicinity. The Directors consider that the terms of the Preliminary Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Consideration shall be funded by internal resources and banking facilities available to the Group.

**Formal Agreement:** The Purchaser and the Vendor shall enter into the Formal Agreement on or before 23 June 2020.

**Completion:** Completion shall take place on or before 9 October 2020. The Vendor shall deliver vacant possession of the Property to the Purchaser upon Completion.

If the Purchaser fails to complete the Acquisition in accordance with the Preliminary Agreement, the Deposits, to the extent already paid by the Purchaser pursuant to the Preliminary Agreement, shall be forfeited to the Vendor and the Vendor shall not sue the Purchaser for any liabilities and/or damages caused by the Purchaser's default of the Preliminary Agreement.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group currently rents warehouses for storage of goods in various locations in Hong Kong. Having considered, among others, (i) the rental cost of the existing leased warehouses; (ii) the risk of relocation upon expiration or termination of the leases as the Group may not be able to renew the leases with comparable and/or commercially acceptable terms and conditions; (iii) the renovation expenses and time costs that would have incurred by the Group for relocation and (iv) the increasing efficiency of stock management upon the Acquisition as the Group could consolidate more of its stocks in the Property, the Directors consider that it is in the interests of the Group to acquire the Property as its self-owned warehouse in order to secure storage space of the goods of the Company, saving rental, goods storage and renovation expenses in the long run, and improve the efficiency of the Group's operations.

The Directors (including the independent non-executive Directors) consider that the Acquisition and the terms of the Preliminary Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company and is therefore subject to the announcement, reporting and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition and is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Acquisition. The Company has obtained an irrevocable and unconditional written approval

for the Acquisition from a closely allied group of Shareholders holding in total 303,613,324 Shares, representing in aggregate 50.6% of the issued share capital of the Company as at the date of this announcement. The names and the respective number of Shares held by the closely allied group of Shareholders are Universal Star Group Ltd. (108,302,488 Shares), Happy Voice Ltd. (73,581,206 Shares), New Happy Times Ltd. (43,659,542 Shares), Fast Way Management Limited (37,197,294 Shares), Mr. Lo Wai Man (17,909,892 Shares), Mr. Yick Kai Chung (15,798,950 Shares) and Mr. Yik Kai Yiu (7,163,952 Shares).

Universal Star Group Ltd. is beneficially held by Mr. Tse Sun Wai, Albert (the executive Director, father of Mr. Tse Hon Kit, Kevin and cousin of Mr. Tse Sun Fat, Henry), Mr. Tse Hon Kit, Kevin (the executive Director) and their family member(s). New Happy Times Ltd. is beneficially held by Mr. Tse Sun Po, Tony (the executive Director and brother of Tse Sun Fat, Henry) and his family member(s). Fast Way Management Limited is beneficially held by Mr. Tse Sun Fat, Henry (chairman and the executive Director) and his family member(s). Happy Voice Ltd. is a substantial shareholder of the Company, the shareholders of which include a relative of the Tse's Family. Mr. Lo Wai Man is an employee of the Group and an acquaintance of the Tse's Family while Mr. Yick Kai Chung (brother of Mr. Yik Kai Yiu) is a former Director and an employee of the Group.

Accordingly, in accordance with Rule 14.44 of the Listing Rules, the shareholders' approval requirement in respect of the Acquisition under Chapter 14 of the Listing Rules has been satisfied in lieu of a general meeting of the Company.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among others, further details of the Acquisition is required to be despatched to the Shareholders within 15 business days after publication of this announcement. As (i) it is expected that the parties shall enter into the Formal Agreement for the Acquisition on or before 23 June 2020 and (ii) the Company is in the course of preparing its audited consolidated financial results for the year ended 31 March 2020, the Company requires additional time to ascertain and finalise certain information to be included in the circular. As such, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and make further announcement(s) in relation to the despatch of the circular as and when appropriate.

## **GENERAL INFORMATION**

### **The Company**

The Company is an investment holding company and its subsidiaries are principally engaged in the importing, wholesale, retail and installation of architectural builders' hardware, bathroom, kitchen collections and furniture in Hong Kong and the People's Republic of China.

## **The Purchaser**

The Purchaser is a limited company incorporated in Hong Kong and a wholly-owned subsidiary of the Company. It is a property holding company.

## **The Vendor**

The Vendor is a property holding company incorporated in Hong Kong with limited liability held by two individuals in equal shares. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Vendor and its respective ultimate beneficial owner(s) is a third party independent of the Company and its connected person(s).

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:-

“Acquisition”	the acquisition of the Property by the Purchaser pursuant to the Preliminary Agreement
“Board”	the board of Directors
“Company”	E. Bon Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (Stock code: 599)
“Completion”	completion of the Acquisition
“Consideration”	the sum of HK\$68,500,000, being the purchase price of the Property
“Director(s)”	the directors of the Company
“Formal Agreement”	the formal sale and purchase agreement to be entered into between the Purchaser and the Vendor on or before 23 June 2020 in relation to the Acquisition
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Preliminary Agreement”	the preliminary sale and purchase agreement dated 29 May 2020 entered into among the Purchaser, the Vendor and the Property Agent in relation to the Acquisition
“Property”	Unit A, Unit B and Unit C on 3/F, Koon Wo Industrial Building, Nos. 63-75 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong
“Property Agent”	Centaline Property Agency Limited
“Purchaser”	Oriental Forward Limited (東方永進有限公司), a limited company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tse’s Family”	Mr. Tse Sun Fat, Henry, Mr. Tse Sun Wai, Albert, Mr. Tse Sun Po, Tony and Mr. Tse Hon Kit, Kevin
“Vendor”	Sun Hing Elastic & Lace Factory Ltd (新興橡根花邊廠有限公司), a company incorporated in Hong Kong with limited liability
“%”	per cent.

By Order of the Board  
**E. Bon Holdings Limited**  
**TSE Sun Fat, Henry**  
*Chairman*

Hong Kong, 29 May 2020

*As at the date of this announcement, the Board of Directors comprises eight Directors, of which five are executive Directors, namely Mr. TSE Sun Fat, Henry, Mr. TSE Sun Wai, Albert, Mr. TSE Sun Po, Tony, Mr. TSE Hon Kit, Kevin and Mr. LAU Shiu Sun and three are independent non-executive Directors, namely Mr. WONG Wah, Dominic, Mr. WAN Sze Chung and Dr. LUK Wang Kwong.*