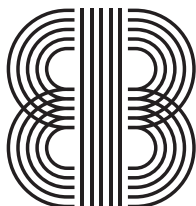


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E. BON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

怡 邦 行 控 股 有 限 公 司

(Stock Code: 599)

ANNOUNCEMENT OF ANNUAL RESULT FOR THE YEAR ENDED 31 MARCH 2009

The Board of Directors of E. Bon Holdings Limited (the “Company”) announces that the audited annual results of the Company and its subsidiaries (together the “Group”) for the year ended 31 March 2009 are as follows:

DIVIDEND

The Board has resolved to recommend, at the forthcoming annual general meeting to be held on 9 September 2009, a Final Dividend of HK2.5 cents (2008: HK5 cents) per ordinary share for the year ended 31 March 2009.

The proposed Final Dividend for the year ended 31 March 2009 is subject to approval of the shareholders at the Annual General Meeting. The Final Dividend is not reflected as dividend payables in the Group’s financial statements for the year.

If approved by the members, the Final Dividend will be distributed to members whose name appear on the principal or branch register of members of the Company in the Cayman Islands or Hong Kong respectively (collectively the “Register of Members”) as at the close of business on 9 September 2009. The Final Dividend will be paid on 8 October 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion provides information and contribution to revenue, operating profit, profit after tax, financial condition, liquidity and capital expenditure of the Group.

Results of Operations

We announce that an operating profit of HK\$30.6 million (2008: HK\$45.9 million) a decrease of 33%, while profit after tax amounts to HK\$25.0 million (2008: HK\$37.8 million) a decrease of 34% with the Group turnover amounts to HK\$361.1 million (2008: HK\$395.3 million) lowered by 8.65% from last year.

As mentioned previously in our interim announcement of result for the six months ended 30 September 2008, the financial turmoil triggered by the sub prime crisis in the United States of America does affect Hong Kong. The slowing down of building projects was reflected in the lower volume of sales in the second half of this financial year, however we have been able to maintain our gross margin at 39% (2008: 38%) and administrative expenses at HK\$32.4 million (2008: HK\$32.6 million), the selling and distribution expenses only increased slightly to HK\$76.0 million (2008: HK\$73.7 million) as a result of the increases in rental expenses for our showrooms when leases were renewed in the summer of 2008.

Wholesales/Retails

The wholesale and retail markets in Hong Kong are largely affected by the local economy, despite of the continuous lowering of interest rates, the slacking of building projects affects our wholesale and retail operations. However, we are pleased to note that our China operations are largely unaffected; indeed, with the forthcoming World Expo to be held in Shanghai next year, we expect the expansion of China economy to continue with ample of business opportunities. We are pleased to note that there is a significant increase in contracts in hand at 31 March 2009 amounting to HK\$215 million (2008: HK\$145 million) in which approximately 35% (2008: approximately 7%) derived from our activities in China. The prestigious projects we have been participating and continue into next year include the Commercial and Hotel complex in Lujiazui, Shanghai, Peak One, the Latitude, and Vineyard II in Hong Kong.

At 31 March 2009, our contracts in hand amounted to HK\$215 million (2008: HK\$145 million).

Financial Resources and Liquidity

The Group continues to expand its business lines and volume while maintaining a prudent financial management policy, the current ratio and quick ratio are 3.18 (2008: 2.35) and 2.03 (2008: 1.61) respectively, while the cash and bank balances amounted to HK\$39.1 million as at 31 March 2009 (2008: HK\$51.7 million). The Group gearing ratio (the ratio of total liabilities to the sum of total liabilities and owners' equity) decreased to 29% as of 31 March 2009 (2008: 39%). The interest-bearing borrowings of the Group amounted to HK\$44.9 million (2008: HK\$62.7 million) including trade finance such as trust receipt loans for imports.

The Group has adopted a prudent hedging policy against foreign exchange risk on imported products. The borrowing and cash balances are primarily denominated in Hong Kong Dollars, the foreign exchange risk in this aspect is insignificant.

People

As at 31 March 2009, our loyal workforce which is a major ingredient to our successful operation increased to 147 (2008: 143).

FUTURE PROSPECTS

Keeping the pace with China's flamboyant economy, extra effort will be spent in expanding the Group's operation in China, by providing value-added services to our customers. We shall extend our operations in China not only as a supplier of builders' hardware, but also to include the fitting of our products. Our operation in Shanghai has been supplying and servicing prestigious commercial and hotel development projects in the Region. In the forthcoming years, we expect more revenue will be generated from our China operations.

RETIREMENT AND APPOINTMENT OF DIRECTOR

One of the executive directors, Mr. TSE Sun Lung, Alan retired at the Company's annual general meeting on 8 September 2008. Mr. TSE confirmed that he has no disagreement with the Board and there are no other matters in respect of his retirement that needs to be brought to the attention of the shareholders of the Company. The Board thanks Mr. Alan TSE for his contribution to the success of the Group.

On 8 September 2008, Mr. TSE Hon Kit, Kevin was appointed as an executive director of the Company, and Mr. TSE is subject to retirement at the forthcoming Annual General Meeting while he has expressed his willingness to seek re-election at the Meeting.

CORPORATE GOVERNANCE

E. Bon Holdings Limited is committed to achieving high standards of corporate governance that properly protect and promote the interests of its shareholders.

Full details of the Corporate Governance Report are set out in the Annual Report 2009 of the Company.

COMPLIANCE OF CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company has complied with the code provisions listed in the Code on Corporate Governance Practices (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 year ended 31 March 2009, 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 Group 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 complied with the required standards set out in the Model Code throughout the year ended 31 March 2009.

REVIEW OF ANNUAL 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 audited annual accounts for the year ended 31 March 2009.

CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	2009 HK\$'000	2008 HK\$'000
Turnover	2	361,102	395,285
Cost of sales		(221,973)	(244,378)
Gross profit		139,129	150,907
Other income		2,330	2,232
Selling and distribution expenses		(75,983)	(73,740)
Administrative expenses		(32,368)	(32,604)
Fair value change on derivative financial instruments		(676)	998
Valuation deficit on building		(112)	–
Finance costs	2	(1,758)	(1,917)
Profit before income tax	3	30,562	45,876
Income tax expense	4	(5,556)	(8,063)
Profit for the year		25,006	37,813
Dividends	5	8,085	15,500
Basic earnings per share	6	10.8 cents	16.4 cents*

* *Restated*

CONSOLIDATED BALANCE SHEET

	<i>Note</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment	3	45,734	40,054
Prepaid land lease payments		30,534	–
Deferred tax assets		1,627	1,626
		<u>77,895</u>	<u>41,680</u>
Current assets			
Inventories		73,469	80,949
Trade and other receivables	7	90,720	123,210
Derivative financial instruments		322	998
Cash and cash equivalents		39,110	51,665
		<u>203,621</u>	<u>256,822</u>
Current liabilities			
Trade and other payables	8	30,579	45,064
Interest-bearing borrowings		30,032	60,644
Provision for tax		3,501	3,655
		<u>64,112</u>	<u>109,363</u>
Net current assets		<u>139,509</u>	<u>147,459</u>
Total assets less current liabilities		<u>217,404</u>	<u>189,139</u>
Non-current liabilities			
Interest-bearing borrowings		14,820	2,105
Deferred tax liabilities		3,853	3,685
		<u>18,673</u>	<u>5,790</u>
NET ASSETS		<u>198,731</u>	<u>183,349</u>
Equity attributable to Company's equity holders			
Share capital		23,100	21,000
Reserves		175,631	162,349
TOTAL EQUITY		<u>198,731</u>	<u>183,349</u>

Notes:

1. Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”), which collective term includes all individual HKFRS, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Listing Rules.

The financial statements have been prepared on a basis consistent with the accounting policies adopted in the previous year except for the adoption of HKAS 39 and HKFRS 7 (Amendments) Reclassification of Financial Assets, HK(IFRIC)-Int 12 Service Concession Arrangements and HK(IFRIC)-Int 14 HKAS19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. The adoption of these amendments and interpretations had no material financial impact on the Group’s results and financial position in the current and prior accounting periods.

2. Turnover

The Group is organised in Hong Kong into two main business segments:

Wholesale importing and wholesale of architectural builders hardware, bathroom, kitchen collections and furniture to dealers, traditional hardware stores, contractors and property developers.

Retail sale of architectural builders hardware, bathroom, kitchen collections and furniture through the Group’s retail outlets.

	2009 <i>HK\$’000</i>	2008 <i>HK\$’000</i>
Segment results		
Segment revenue		
Wholesale	314,580	350,332
Retail	84,095	85,639
Inter-segment elimination	(37,573)	(40,686)
Total revenue	361,102	395,285
Cost of sales		
Wholesale	(218,120)	(243,857)
Retail	(41,426)	(41,207)
Inter-segment elimination	37,573	40,686
Total cost of sales	(221,973)	(244,378)
Gross profit		
Wholesale	96,460	106,475
Retail	42,669	44,432
Total gross profit	139,129	150,907
Other costs, net of other revenue		
Wholesale	(73,044)	(72,294)
Retail	(33,765)	(30,820)
Total other costs, net of other revenue	(106,809)	(103,114)

	2009 HK\$'000	2008 HK\$'000
Segment results		
Wholesale	23,416	34,181
Retail	8,904	13,612
Total result	32,320	47,793
Finance costs		
Wholesale	(1,426)	(1,917)
Retail	(332)	–
Total finance costs	(1,758)	(1,917)
Total profit before income tax	30,562	45,876
Income tax expense		
Wholesale	(3,778)	(6,347)
Retail	(1,491)	(909)
Unallocated	(287)	(807)
Total income tax expense	(5,556)	(8,063)
Profit for the year	25,006	37,813
Capital expenditure		
Wholesale	657	304
Retail	3,512	6,630
Unallocated	34,948	–
Total capital expenditure	39,117	6,934
Depreciation		
Wholesale	1,565	2,199
Retail	3,702	3,045
Unallocated	911	156
Total depreciation	6,178	5,400
Segment assets		
Wholesale	179,854	236,617
Retail	19,431	21,480
Unallocated	82,231	40,405
Total assets	281,516	298,502
Segment liabilities		
Wholesale	28,483	50,092
Retail	1,742	181
Unallocated	52,560	64,880
Total liabilities	82,785	115,153
	198,731	183,349

No geographical analysis 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.

3. Profit before income tax

Profit before income tax is stated after depreciation of property, plant and equipment of HK\$6,178,000 (2008: HK\$5,400,000), amortisation of prepaid land lease of HK\$623,000 (2008: HK\$Nil), staff costs, including directors' remunerations of HK\$39,459,000 (2008: HK\$38,861,000).

4. Income tax expense

Hong Kong Profits Tax is calculated at the rate of 16.5% (2008: 17.5%) on the estimated assessable profits for the year.

	2009 HK\$'000	2008 HK\$'000
Hong Kong Profits Tax		
– current year	5,422	6,947
– under provision in prior year	–	85
Mainland China Enterprise Income Tax	186	224
	<hr/>	<hr/>
	5,608	7,256
Deferred taxation	(52)	807
	<hr/>	<hr/>
	5,556	8,063
	<hr/>	<hr/>

5. Dividends

	2009 HK\$'000	2008 HK\$'000
Interim dividend of HK1 cent (2008: HK2.5 cents) per share	2,310	5,000
Proposed final dividend of HK2.5 cents (2008: HK5 cents) per share (<i>Note</i>)	5,775	10,500
	<hr/>	<hr/>
	8,085	15,500
	<hr/>	<hr/>

Note: For members whose name appear on the principal or branch register of members of the Company in the Cayman Islands or Hong Kong respectively (collectively the “Register of Members”) as at the close of business on 9 September 2009, the Board has resolved to recommend:–

Final Dividend

A final dividend of HK2.5 cents (2008: HK5 cents) per ordinary share for the year ended 31 March 2009.

6. Earnings per share

The calculation of basic earnings per share is based on the Group's profit for the year of HK\$25,006,000 (2008: HK\$37,813,000) and on the outstanding number of 231,000,000 shares in issue (2008: 231,000,000 shares, restated) during the year.

Diluted earnings per share was not disclosed as there were no potential ordinary shares in existence for the years ended 31 March 2009 and 2008.

The number of ordinary shares for both years for the purpose of basic earnings per share has been adjusted for the bonus issue approved pursuant to the annual general meeting held on 8 September 2008.

	<i>HK cents</i>
Reported figure before adjustments	18.0
Adjustment arising from the bonus share	(1.6)
	<hr/>
Restated figure	16.4
	<hr/>

7. Trade and other receivables

Details of the trade and other receivables as at 31 March 2009 are listed below:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Trade receivables	67,815	97,212
Less: provision for doubtful debts	(1,014)	(899)
	<hr/>	<hr/>
	66,801	96,313
Other receivables, deposits and prepayments	23,919	26,897
	<hr/>	<hr/>
	90,720	123,210
	<hr/>	<hr/>

The ageing analysis of trade receivables (net of provisions for doubtful debts) at the balance sheet date is as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
0 – 30 days	17,393	61,130
31 – 60 days	13,070	9,280
61 – 90 days	9,811	5,633
Over 90 days	26,527	20,270
	<hr/>	<hr/>
	66,801	96,313
	<hr/>	<hr/>

The majority of the Group's sales are with credit terms of 30 to 90 days. In some cases, customers may be granted an extended credit period of up to 120 days. Certain balances over 90 days are on letter of credit or document against payment.

8. Trade and other payables

	2009 HK\$'000	2008 HK\$'000
Trade payables	16,641	30,532
Accrued charges and other creditors	13,938	14,532
	<u>30,579</u>	<u>45,064</u>

Included in the trade and other payables of the Group are trade payables with the following ageing analysis:

	2009 HK\$'000	2008 HK\$'000
0 – 30 days	12,663	23,072
31 – 60 days	1,848	3,776
61 – 90 days	920	2,823
Over 90 days	1,210	861
	<u>16,641</u>	<u>30,532</u>

CONTINGENT LIABILITY

- (a) In August 2001, a subsidiary of the Company (“the Subsidiary”) sued one of its customers (“the Defendant”) for recovery of an amount of approximately HK\$5,333,000 in respect of goods sold and delivered to the Defendant. In September 2001, the Defendant 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 Defendant and the Subsidiary. The case is now in the stage where the parties’ expert reports are to be exchanged and the directors of the Company, on the basis of independent legal advice obtained, consider the Subsidiary has a good arguable case against the Defendant for the counter-claim and accordingly no provision in respect of the debt due or the amount of the counter-claim has been made in the financial statements of the Group.
- (b) As at 31 March 2009, the Company had guarantees given to certain banks for banking facilities utilised by certain subsidiaries to the extent of approximately HK\$45,000,000 (2008: HK\$63,000,000).

SCOPE OF WORK OF THE AUDITORS

The figures in respect of the preliminary announcement of the Group’s results for the year ended 31 March 2009 have been agreed by the Group’s auditors, Grant Thornton (“the Auditors”), to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by the Auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the Auditors on the preliminary announcement.

CLOSURE OF REGISTER OF MEMBERS

The Company's Register of Members will be closed from 3 September 2009 to 9 September 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final 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 Share Registrars Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 2 September 2009.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

PUBLICATION OF FINANCIAL INFORMATION

This results announcement is published on the websites of the Company (www.ebon.com.hk) and the Stock Exchange (www.hkex.com.hk). The Company's Annual Report 2009 will be despatched to the shareholders and available on the same websites in due course.

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

Hong Kong, 3 June 2009

As at the date hereof, the Board comprises nine Directors, of which six are Executive Directors, namely Messrs. TSE Sun Fat, Henry, TSE Sun Po, Tony, LAU Shiu Sun, YICK Kai Chung, FUNG Cheuk Hang, Jackie and TSE Hon Kit, Kevin and three independent Non-Executive Directors, namely Messrs. LEUNG Kwong Kin, JP, WONG Wah, Dominic and WAN Sze Chung.