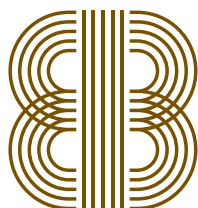


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E. BON HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
怡 邦 行 控 股 有 限 公 司

(Stock Code: 599)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

The board of directors (the “Directors”) of E. Bon Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2009.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

		Unaudited	
		Six months ended 30 September	
		2009	2008
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	2	213,213	185,390
Cost of sales		(130,455)	(115,176)
Gross profit		82,758	70,214
Other income		31	1,937
Selling and distribution expenses		(38,856)	(34,399)
Administrative expenses		(13,426)	(17,921)
Fair value change on derivative financial instruments		(322)	–
Finance costs		(301)	(1,027)
Profit before income tax	3	29,884	18,804
Income tax expense	4	(4,931)	(3,149)
Profit for the period		24,953	15,655
Other comprehensive income, net of tax			
Exchange difference on translation on financial statements of foreign operation		341	–
Total comprehensive income for the period		25,294	15,665
Dividends	5	4,620	2,310
Basic earnings per share	6	HK 10.80 cents	HK 6.78 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2009

		Unaudited 30 September 2009 HK\$'000	Audited 31 March 2009 HK\$'000
	<i>Note</i>		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		45,315	45,734
Prepaid land lease payments		30,222	30,534
Deferred tax assets		1,627	1,627
		<hr/>	<hr/>
		77,164	77,895
		<hr/>	<hr/>
Current assets			
Inventories		77,674	73,469
Trade and other receivables	7	101,758	90,720
Derivative financial instruments		–	322
Cash and cash equivalents		44,894	39,110
		<hr/>	<hr/>
		224,326	203,621
		<hr/>	<hr/>
Current liabilities			
Trade and other payables	8	52,250	30,579
Interest-bearing borrowings		5,038	30,032
Provision for tax		7,932	3,501
		<hr/>	<hr/>
		65,220	64,112
		<hr/>	<hr/>
Net current assets		159,106	139,509
		<hr/>	<hr/>
Total assets less current liabilities		236,270	217,404
		<hr/>	<hr/>
Non-current liabilities			
Interest-bearing borrowings		14,167	14,820
Deferred tax liabilities		3,853	3,853
		<hr/>	<hr/>
		18,020	18,673
		<hr/>	<hr/>
NET ASSETS		218,250	198,731
		<hr/>	<hr/>
EQUITY			
Share capital		23,100	23,100
Reserves		195,150	175,631
		<hr/>	<hr/>
TOTAL EQUITY		218,250	198,731
		<hr/>	<hr/>

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 Stocking 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 2009 except for the adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) (which include 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 2009.

With effect from 1 April 2009, the Group adopted HKAS 1 (Revised) “Presentation of Financial Statements” and presents all items of income and expense recognised in the period in condensed consolidated statement of comprehensive income showing components of profit or loss and components of other comprehensive income. However, HKAS 1 (Revised) has had no impact on the reported results or financial position of the Group.

The Group also adopted HKFRS 8 “Operating Segments” which has become effective on 1 April 2009. As the Group’s operating segments reported to chief operating decision-maker as required by HKFRS 8 are the same as the business segments reported in accordance with the predecessor standard (HKAS 14 “Segment Reporting”), the adoption of HKFRS 8 has not resulted in a redesignation of the Group’s reportable segments.

Except for the above, there have not been any other New Standards that have significant impact on the Group’s financial statements.

2. Turnover, revenue and segment information

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

	Unaudited		
	Six months ended 30 September 2009		
	Wholesale	Retail	Total
	HK\$’000	HK\$’000	HK\$’000
Revenue			
– From external customers	172,670	40,543	213,213
– Inter-segment sales	19,230	–	19,230
Reportable segment revenue	191,900	40,543	232,443
Reportable segment profit	25,841	4,344	30,185

	Unaudited Six months ended 30 September 2008		
	Wholesale <i>HK\$'000</i>	Retail <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue			
– From external customers	140,527	44,863	185,390
– Inter-segment sales	23,657	–	23,657
	<hr/>	<hr/>	<hr/>
Reportable segment revenue	164,184	44,863	209,047
	<hr/>	<hr/>	<hr/>
Reportable segment profit	12,741	7,090	19,831
	<hr/>	<hr/>	<hr/>

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	
	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Total reportable segment profit	30,185	19,831
Finance costs	(301)	(1,027)
	<hr/>	<hr/>
Profit before income tax	29,884	18,804
	<hr/>	<hr/>

No geographical analysis of turnover and operating profit 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 fixed assets of HK\$2,741,000 (30 September 2008: HK\$2,863,000).

4. Income tax expenses

Hong Kong Profits Tax has been provided at the rate of 16.5% (2008: 16.5%) of the estimated assessable profits for the period. Overseas taxation has been provided on the estimated assessable profits for the period at the rates of taxation prevailing in the relevant jurisdictions.

The charge comprises:

	Unaudited Six months ended 30 September	
	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Tax expense for the period	4,931	3,149
	<hr/>	<hr/>

5. Dividends

The Board has resolved to recommend the payment of dividend of HK2.0 cents (2008: HK1.0 cent).

	Unaudited	
	Six months ended 30 September	
	2009	2008
	HK\$'000	HK\$'000
Interim dividend of HK2.0 cents (2008: HK1.0 cent) per share	4,620	2,310

6. Earnings per share

The calculation of basic earnings per share is based on the Group's profit for the period of HK\$24,953,000 (six months ended 30 September 2008: HK\$15,655,000) and the 231,000,000 ordinary shares (30 September 2008: 231,000,000 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 and other receivables

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

	0–30 days	31–60 days	61–90 days	Over 90 days	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 30 September 2009	24,948	11,711	12,643	28,493	77,795
Balance at 31 March 2009	17,393	13,070	9,811	26,527	66,801

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 and other payables

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

	0–30 days	31–60 days	61–90 days	Over 90 days	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 30 September 2009	21,061	5,225	1,333	3,216	30,835
Balance at 31 March 2009	12,663	1,848	920	1,210	16,641

INTERIM DIVIDEND

The Board of Directors has resolved to recommend the payment of an interim dividend of HK2.0 cents per share to be paid on 12 January 2010 (Tuesday) 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 5 January 2010 (Tuesday).

CLOSURE OF REGISTER OF MEMBERS

The Company’s Register of Members will be closed from 29 December 2009 (Tuesday) to 5 January 2010 (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 28 December 2009 (Monday).

REVIEW OF OPERATIONS

For the past six months ended 30 September 2009, the Group’s unaudited accounts shows that consolidated turnover was HK\$213.2 million (six months ended 30 September 2008 HK\$185.4 million) and consolidated profit after taxation was HK\$25.0 million (six months ended 30 September 2008: HK\$15.7 million). During this period, the group’s sales in kitchen fittings have made a positive contribution to the operations improving sales mix and enabled the group to attain a higher profit margin to fuel our efforts in expanding our product range and scale of our operations in Shanghai, China.

FINANCIAL POSITION

The Group records profit after taxation during the period and its overall financial position is sound. Gross margin is at 38.8% (30 September 2008: 37.9%) which is in line with the year ended 31 March 2009 of 38.5%. The profit before taxation for the period amounts to HK\$29.9 million representing an increase of 58.9% caused by the change in the sales product mix from basic building materials with lower gross profit to kitchen fittings which command a healthy margin. The effective control in overhead expenditure together with the expansion in sales volume yielded HK\$25.0 million in profit after tax. The Group holds approximately HK\$44.9 million in cash (31 March 2009: HK\$39.1 million) and interest-bearing borrowings totalling HK\$19.2 million, in which HK\$15.4 million is the mortgage of office properties including HK\$14.2 million repayable after more than one year. The Group current ratio, which is calculated based on current assets over current liabilities is 3.44 (31 March 2009: 3.18). 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 2009.

FUTURE PROSPECTS

As mentioned in our Annual Report 2009, we noticed that the worldwide efforts in confining the damages caused by the sub prime crisis last year has at last taken effect, the low interest rate environment seems to stabilise the economy. With a hint of recovery in the horizon, the Group has taken various measures in maintaining its growth in sales and profit in the tough operating environment, we have maintained our level of expenditure on the same footing as last year while continuing our efforts in generating new businesses.

China economy is expected to have a positive growth of 8% with further stimulation in domestic consumption, which is evidenced by the booming market and ever-changing skylines of cities such as Beijing and Shanghai which are crowded with high-rises, as a result, our project sales derived from China is likely to make its share of contribution to our Group in the latter part of this financial year. In Hong Kong, meanwhile, our efforts in increasing the presence in the sales of kitchen fittings and furniture business continue, in particular we target to serve prestigious customers who reside in the traditional luxurious residential areas, established individuals and families which are least affected by the occasional turbulence in economy. The management is confident with our existing business lines while additional efforts are drawn cautiously in developing the new markets, new product lines and facing challenges ahead.

CONTINGENT LIABILITIES

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.

Apart from the above, the Group and the Company had no material litigation or contingent liabilities as at 30 September 2009 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 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 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 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 2009.

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 accounts for the six months ended 30 September 2009.

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 2009 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, 10 December 2009

Website: www.ebon.com.hk

As at the date hereof, the Board of Directors 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 are Independent Non-executive Directors, namely Messrs. LEUNG Kwong Kin, J.P., WONG Wah and WAN Sze Chung.