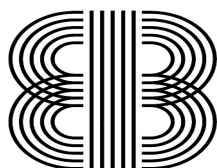


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E. BON HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
怡邦行控股有限公司

(Stock code: 599)

DISCLOSEABLE AND CONNECTED TRANSACTION

THE PROVISIONAL SALE AND PURCHASE AGREEMENT

On 21 January 2010 (after trading hours), the Purchaser, being a wholly-owned subsidiary of the Company, entered into the Provisional Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of the Premises at a consideration of HK\$50 million.

The Premises are presently leased by the Vendor to E. Bon Building Materials Company Limited (a wholly-owned subsidiary of the Company) under the Leasing Agreement, which will expire on 19 March 2012. Further details regarding the Leasing Agreement were set out in the announcement of the Company dated 11 March 2009.

The Consideration of HK\$50 million is payable by the Purchaser to the Vendor in cash as to (i) approximately HK\$200,000 as an initial deposit upon signing of the Provisional Sale and Purchase Agreement; (ii) as to approximately HK\$5 million upon signing of the formal sale and purchase agreement in respect of the Acquisition; and (iii) as to approximately HK\$44.8 million upon Completion.

The Consideration shall be satisfied partly by the internal financial resources of the Group and partly by the possible banking facilities available to the Group.

IMPLICATION UNDER THE LISTING RULES

Pursuant to Chapter 14 of the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company. In addition, Negotiator Consultants Limited, being a wholly-owned subsidiary of Bache Hill Group Limited, is indirectly-owned as to approximately 8.54%, 10.19%, 6.05% and 4.8% by Mr. Tse Sun Fat, Henry, Mr. Tse Sun Po, Tony, Mr. Tse Sun Lung, Alan and Mr. Yick Kai Chung respectively who are all key management personnel of the Company. In this regard, the Acquisition also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The Provisional Sale and Purchase Agreement is therefore subject to the approval of the Independent Shareholders by way of poll at the EGM whereby Mr. Tse Sun Fat, Henry, Mr. Tse Sun Po, Tony, Mr. Tse Sun Lung, Alan and Mr. Yick Kai Chung, and their respective associates shall be required to abstain from voting on the relevant resolution(s) in respect of the Acquisition.

INTRODUCTION

On 21 January 2010 (after trading hours), the Purchaser, being a wholly-owned subsidiary of the Company, entered into the Provisional Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of the Premises at a consideration of HK\$50 million.

The Premises are presently leased by the Vendor to E. Bon Building Materials Company Limited (a wholly-owned subsidiary of the Company) under the Leasing Agreement, which will expire on 19 March 2012. Further details regarding the Leasing Agreement were set out in the announcement of the Company dated 11 March 2009.

THE PROVISIONAL SALE AND PURCHASE AGREEMENT

Set out below are the principal terms of the Provisional Sale and Purchase Agreement:

Date:

21 January 2010 (after trading hours)

Parties involved:

Purchaser

Asia Bon Company Limited (a wholly-owned subsidiary of the Company)

Vendor

Negotiator Consultants Limited, a connected person of the Company

There were no prior transactions between the Group and, the Vendor and its associates in the past 12 months prior to the date of the Provisional Sale and Purchase Agreement which would otherwise require aggregation under Rule 14.22 of the Listing Rules.

Assets to be acquired:

The Premises are presently leased by the Vendor to E. Bon Building Materials Company Limited for use as warehouses and car parks, and were originally purchased by the Vendor at approximately HK\$22 million on 20 March 2000. The Leasing Agreement will expire on 19 March 2012.

The Premises comprise:

- (i) Factory: Units A-D on 12th-14th Floor (inclusive) of E. Tat Factory Building, No. 4 Heung Yip Road, Wong Chuk Hang, Hong Kong, with total saleable area of approximately 30,717, sq.ft.; and
- (ii) Car parking spaces: Nos. 3 and 28 of E. Tat Factory Building, No. 4 Heung Yip Road, Wong Chuk Hang, Hong Kong.

The turnover, profit before taxation and after taxation attributable to the Premises were amounted to approximately HK\$2,036,548, HK\$1,859,992 and HK\$1,321,917 respectively for the year ended 31 March 2009 and approximately HK\$2,952,000, HK\$2,652,670 and HK\$2,178,652 respectively for the year ended 31 March 2008.

The Consideration:

The Consideration of HK\$50 million is payable by the Purchaser to the Vendor in cash (i) as to approximately HK\$200,000 as an initial deposits upon signing of the Provisional Sale and Purchase Agreement; (ii) as to approximately HK\$5 million upon signing of the formal sale and purchase agreement in respect of the Acquisition (altogether the “**Deposits**”); and (iii) as to approximately HK\$44.8 million upon Completion.

The Consideration shall be satisfied partly by the internal financial resources of the Group and partly by the possible banking facilities available to the Group.

Basis of the Consideration:

The Consideration was determined between the Purchaser and the Vendor after arm’s length negotiations and on normal commercial terms, taking into account the followings:

- (i) the Valuation of the Premises of approximately HK\$52 million as at 13 January 2010 valued by the Valuer using direct comparison method as stated in the Valuation Report;
- (ii) the current rental fee of HK\$185,000 per month for the Premises under the Leasing Agreement; and
- (iii) the outlook of the property market in Hong Kong.

Given that the Consideration is lower than the Valuation and represents a discount of approximately 3.85% to the Valuation, the Directors considered that the Consideration is in the interests of the Company and the Shareholders as a whole.

Major terms for completion of the Provisional Sale and Purchase Agreement:

The Vendor and the Purchaser shall enter into a formal sale and purchase agreement in respect of the Acquisition within 30 days from the date of getting approval from the Independent Shareholders at the EGM (which shall be held no later than 10 March 2010 pursuant to the terms of the Provisional Sale and Purchase Agreement) regarding the Provisional Sale and Purchase Agreement. The Acquisition shall be completed within 60 days from the date of the formal sale and purchase agreement in respect of the Acquisition.

Purchaser fails to perform

Should the Purchaser fail to complete the purchase of the Premises in accordance with the formal sale and purchase agreement in respect of the Acquisition, the Deposits will be forfeited to the Vendor and the Vendor shall then be entitled, at its absolute discretion to sell the Premises to anyone he thinks fit and the Vendor shall not sue the Purchaser for any liabilities and/or damages or to enforce specific performance.

Vendor fails to perform

Should the Vendor after receiving the initial deposits paid under the Provisional Sale and Purchase Agreement fail to complete the sale of the Premises in the manner contained in the Provisional Sale and Purchase Agreement, the Vendor shall immediately compensate the Purchaser with a refund of the initial deposits together with a sum equivalent to the amount of the initial deposits as liquidated damages and reimbursement/ payment (as the case may be) of stamp duty for the Premises, and the Purchaser shall not take any further action to claim for any related damages or to enforce specific performance.

POSSIBLE FINANCIAL EFFECTS OF THE ACQUISITION

Based on the estimation of the Directors, the Acquisition would not lead to significant impact on the financial position of the Group. The working capital of the Group would be reduced as a result of the payment of the Consideration and the gearing level of the Company may increase as a result of the utilisation of the possible banking facilities available to the Group.

REASONS FOR THE ACQUISITION

The principal activity of the Company is investment holding and the Group is principally engaged in the import and sale of architectural builders hardware, bathroom, kitchen collections and furniture. The principal activity of the Vendor is property investment for rental income.

The Directors considered that the Acquisition provides an excellent opportunity for the Group to (i) reduce ongoing rental payments for the Premises; (ii) eliminate the potential risks to the operation of the Group in the event that the Leasing Agreement could not be renewed upon its expiry in the future; and (iii) avoid the possible increase in rents for the Premises upon the expiry of the Leasing Agreement. In view of also the fact that the Consideration represents a discount of approximately 3.85% to the Valuation, the Directors (excluding the independent non-executive Directors whose view is subject to the advice from the independent financial adviser appointed by the Company) considered that the Provisional Sale and Purchase Agreement is on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and the Acquisition is in the interests of the Company and Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

Pursuant to Chapter 14 of the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company. In addition, Negotiator Consultants Limited, being a wholly-owned subsidiary of Bache Hill Group Limited, is indirectly-owned as to approximately 8.54%, 10.19%, 6.05% and 4.8% by Mr. Tse Sun Fat, Henry, Mr. Tse Sun Po, Tony, Mr. Tse Sun Lung, Alan and Mr. Yick Kai Chung respectively who are all key management personnel of the Company. In this regard, the Acquisition

also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The Provisional Sale and Purchase Agreement is therefore subject to the approval of the Independent Shareholders by way of poll at the EGM whereby Mr. Tse Sun Fat, Henry, Mr. Tse Sun Po, Tony, Mr. Tse Sun Lung, Alan and Mr. Yick Kai Chung, and their respective associates shall be required to abstain from voting on the relevant resolution(s) in respect of the Acquisition.

GENERAL

An Independent Board Committee comprising Messrs. Leung Kwong Kin J.P., Wong Wah, Dominic and Wan Sze Chung (all being independent non-executive Directors) has been established to (i) advise the Independent Shareholders as to whether the terms of the Provisional Sale and Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the Acquisition is in the interests of the Company and the Shareholders as a whole; and (ii) advise the Independent Shareholders on how to vote in respect of the Provisional Sale and Purchase Agreement after taking into account the recommendation of the independent financial adviser appointed by the Company.

The EGM will be held to consider and, if thought fit, approve the ordinary resolution(s) in respect of the Acquisition.

A circular containing, among other things, (i) further details of the Acquisition; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Acquisition; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition; (iv) the Valuation Report; and (v) a notice convening the EGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“Acquisition”	the acquisition of the Premises by the Purchaser
“associate(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday) on which banks are generally open for business in Hong Kong
“Company”	E. Bon Holdings Limited, a company incorporated in the Caymans Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the Acquisition
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly

“Consideration”	a total consideration of HK\$50 million payable by the Purchaser to the Vendor for the Acquisition under the Provisional Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary ordinary meeting of the Company to be held to consider and, if thought fit, approve the ordinary resolution(s) in respect of the Acquisition.
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an Independent Board Committee comprising Messrs. Leung Kwong Kin J.P., Wong Wah, Dominic and Wan Sze Chung (all being independent non-executive Directors) to advise the Independent Shareholders regarding the Acquisition
“Independent Shareholder(s)”	Shareholder(s) other than Mr. Tse Sun Fat, Henry, Mr. Tse Sun Po, Tony, Mr. Tse Sun Lung, Alan and Mr. Yick Kai Chung, and their respective associates
“Leasing Agreement”	the leasing agreement entered into between the Vendor and E. Bon Building Materials Company Limited (a wholly-owned subsidiary of the Company) on 10 March 2009
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	Asia Bon Company Limited, a wholly-owned subsidiary of the Company, being the purchaser to the Provisional Sale and Purchase Agreement
“Premises”	<p>The Premises comprise:</p> <ul style="list-style-type: none"> (i) 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 (ii) Car parking spaces Nos. 3 and 28 of the same building.
“Provisional Sale and Purchase Agreement”	the provisional sale and purchase agreement in relation to the Acquisition entered into between the Purchaser and the Vendor on 21 January 2010

“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq. f.”	square feet
“Valuation”	the valuation on the Premises of HK\$52 million as at 13 January 2010
“Valuation Report”	the valuation report regarding the Valuation
“Valuer”	RHL International Group, an independent valuer
“Vendor”	Negotiator Consultants Limited, a company incorporated in the British Virgin Islands with limited liability and is principally engaged in property investment, being the vendor to the Provisional Sale and Purchase Agreement
“%”	per cent.

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

Hong Kong, 21 January 2010

As at the date of this announcement, the executive Directors are 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 the independent non-executive Directors are Messrs. Leung Kwong Kin J.P., Wong Wah, Dominic and Wan Sze Chung.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange and the website of the Company for at least 7 days from the date of its posting.