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 2013

The Board of Directors (the "Board") of E. Bon Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together the "Group") for the six months ended 30 September 2013 (the "period").

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

		Unaudited Six months ended 30 September	
		2013	2012
	Notes	***HK$'000***	*HK$'000*
Revenue	*4*	**224,827**	231,957
Cost of sales		**(133,949)**	(139,745)
Gross profit		**90,878**	92,212
Other income		**549**	3,022
Distribution costs		**(44,014)**	(42,874)
Administrative expenses		**(32,356)**	(35,593)
Operating profit		**15,057**	16,767
Finance costs, net		**(911)**	(662)
Profit before income tax	*5*	**14,146**	16,105
Income tax expense	*6*	**(3,300)**	(4,203)
Profit for the period attributable to equity holders of the Company		**10,846**	11,902

	Notes	Unaudited Six months ended 30 September **2013** ***HK$'000***	 2012 *HK$'000*
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange (loss)/gain on translation of financial statements of foreign operations		**(263)**	107
Items that will not be reclassified subsequently to profit or loss			
Deficit on revaluation of properties held for own use		**(924)**	–
Tax effect relating to the revaluation		**(230)**	–
Other comprehensive (loss)/income for the period, net of tax		**(1,417)**	107
Total comprehensive income for the period, net of tax		**9,429**	12,009
Earnings per share for profit attributable to equity holders of the Company — Basic and diluted	*8*	**HK3.6 cents**	HK4.0 cents
Dividends	*7*	**3,003**	3,003

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013

	Notes	Unaudited 30 September 2013 HK$'000	Audited 31 March 2013 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**162,286**	170,694
Deferred income tax assets		**2,906**	2,906
Trade, retention and other receivables		**12,113**	15,815
		177,305	189,415
Current assets			
Inventories		**158,583**	139,917
Current income tax recoverable		**4,003**	4,582
Trade, retention and other receivables	*10*	**132,231**	90,275
Restricted cash		**2,867**	2,867
Cash and cash equivalents		**59,552**	71,907
		357,236	309,548
Total assets		**534,541**	498,963
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**30,030**	30,030
Reserves		**291,328**	296,916
Total equity		**321,358**	326,946
LIABILITIES			
Current liabilities			
Trade and other payables	*11*	**51,543**	35,881
Dividend payable		**15,015**	–
Receipt in advance		**48,019**	38,216
Borrowings		**73,144**	73,971
Current income tax liabilities		**7,765**	5,450
		195,486	153,518
Non-current liabilities			
Deferred income tax liabilities		**17,697**	18,499
Total liabilities		**213,183**	172,017
Total equity and liabilities		**534,541**	498,963
Net current assets		**161,750**	156,030
Total assets less current liabilities		**339,055**	345,445

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 Stock Exchange of Hong Kong Limited.

The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

1.1 Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2013, as described in those annual financial statements.

Amendment to HKAS 1	Financial statements presentation regarding other comprehensive income
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement

The adoption of these amendments and interpretations had no material financial impact on the Group's results and financial position for the current and prior accounting periods.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

2. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2013.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk.

The interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2013.

There have been no changes in the risk management controls or in any risk management policies since the year end.

3.2 Liquidity risk

Compared to year end, there has been no material change in the contractual undiscounted cash out flows for financial liabilities.

4. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the importing and sale of architectural builders hardware, bathroom, kitchen collections and furniture in Hong Kong and the People's Republic of China (the "PRC") and the provision of construction services for property developers in the PRC. Revenue recognised is as follows:

	Unaudited Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
Revenue — sales of goods	**222,743**	229,500
Revenue — sales of services	**2,084**	2,457
	224,827	231,957

Primary reporting format — business segments

The Group is primarily engaged in three main business segments:

Wholesale	importing and wholesale of architectural builders hardware, bathroom, kitchen collections and furniture to contractors, property developers and dealers.
Retail	importing and sale of architectural builders hardware, bathroom, kitchen collections and furniture through the Group's retail outlets.
Interior decoration	revenue from the provision of interior decoration and construction services primarily in the PRC.

	Unaudited			
	Six months ended 30 September 2013			
	Wholesale	**Retail**	**Interior decoration**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Reportable segment revenue from external customers	**170,611**	**52,132**	**2,084**	**224,827**
Reportable segment profit/(loss)	**9,466**	**8,758**	**(546)**	**17,678**

	Unaudited			
	As at 30 September 2013			
	Wholesale	**Retail**	**Interior decoration**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Reportable segment assets	**225,552**	**63,705**	**16,919**	**306,176**
Reportable segment liabilities	**45,934**	**31,468**	**9,336**	**86,738**

	Unaudited			
	Six months ended 30 September 2012			
	Wholesale	Retail	Interior decoration	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment revenue from external customers	176,487	53,013	2,457	231,957
Reportable segment profit/(loss)	9,994	10,837	(639)	20,192

	Audited			
	As at 31 March 2013			
	Wholesale	Retail	Interior decoration	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment assets	194,384	60,652	17,806	272,842
Reportable segment liabilities	37,881	25,189	9,256	72,326

The totals represented for the Group's operating segments reconcile to the Group's key financial figures as presented in these condensed consolidated financial statements as follows:

	Unaudited Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
Total reportable segment profit	**17,678**	20,192
Unallocated corporate income	**390**	2,505
Unallocated corporate expenses	**(3,011)**	(5,930)
Finance costs, net	**(911)**	(662)
Profit before income tax	**14,146**	16,105

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2013	2013
	HK$'000	*HK$'000*
Reportable segment assets	**306,176**	272,842
Deferred income tax assets	**2,906**	2,906
Other corporate assets	**225,459**	223,215
Group assets	**534,541**	498,963

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2013	2013
	HK$'000	*HK$'000*
Reportable segment liabilities	**86,738**	72,326
Deferred income tax liabilities	**17,697**	18,499
Borrowings	**73,144**	73,971
Other corporate liabilities	**35,604**	7,221
Group liabilities	**213,183**	172,017

Geographical information

	Revenue from external customers		**Non-current assets**	
	Unaudited Six months ended 30 September		**Unaudited As at 30 September**	Audited As at 31 March
	2013	2012	**2013**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (domicile)	**211,786**	219,606	**170,316**	171,884
Mainland China	**13,041**	12,351	**6,989**	17,531
Total	**224,827**	231,957	**177,305**	189,415

5. EXPENSES BY NATURE

	Unaudited Six months ended 30 September 2013 HK$'000	2012 HK$'000
Cost of inventories	**130,658**	135,698
Auditors' remuneration	**1,000**	4,000
Depreciation of property, plant and equipment	**6,235**	4,427
Operating lease payments in respect of premises	**25,930**	22,763
Provision for/(write back of) slow-moving inventories, included in cost of inventories	**497**	(348)
Staff costs, including directors' emoluments	**23,972**	25,066

6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

The charge comprises:

	Unaudited Six months ended 30 September 2013 HK$'000	2012 HK$'000
Current tax		
Hong Kong Profits Tax	**3,120**	3,162
PRC Corporate Income Tax	**180**	1,048
	3,300	4,210
Deferred tax	**–**	(7)
Tax expense for the period	**3,300**	4,203

7. DIVIDEND

The Board has declared the payment of an interim dividend of HK1.0 cent (2012: HK1.0 cent).

	Unaudited Six months ended 30 September 2013 HK$'000	2012 HK$'000
Interim dividend of HK1.0 cent (2012: HK1.0 cent) per share	**3,003**	3,003

At a board meeting held on 18 November 2013, the Board has declared the payment of an interim dividend of HK1.0 cent (30 September 2012: HK1.0 cent) per ordinary share. Such interim dividends are not reflected as dividend payables in the Group's interim financial statements for the period.

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit for the period of HK$10,846,000 (six months ended 30 September 2012: HK$11,902,000) and the 300,300,000 ordinary shares (30 September 2012: 300,300,000 ordinary shares) in issue during the period. Diluted earnings per share for the period is the same as the basic earnings per share (six months ended 30 September 2012: same) as the conversion of potential dilutive ordinary shares in relation to the share options issued by the Company would have an anti-dilutive effect to the basic earnings per share.

9. CAPITAL EXPENDITURE AND DISPOSAL

During the period, the Group incurred capital expenditure of approximately HK$1,527,000 for property, plant and equipment (six months ended 30 September 2012: HK$6,132,000). During the period, the Group disposed certain leasehold land and buildings at a consideration of HK$3,044,000, which approximately to its carrying value upon disposal, to independent third parties (six months ended 30 September 2012: Nil).

10. TRADE RECEIVABLES

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

	0–90 days	**91–180 days**	**181–270 days**	**271–365 days**	**Over 365 days**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 30 September 2013	**92,026**	**9,878**	**1,954**	**5,001**	**3,972**	**112,831**
Balance at 31 March 2013	43,201	11,109	4,745	4,830	5,395	69,280

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.

11. TRADE PAYABLES

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

	0–90 days	**91–180 days**	**181–270 days**	**271–365 days**	**Over 365 days**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 30 September 2013	**35,110**	**1,399**	**1,981**	**–**	**888**	**39,378**
Balance at 31 March 2013	23,771	151	70	–	38	24,030

INTERIM DIVIDEND

The Board of Directors has declared the payment of an interim dividend of HK1.0 cent per share to be paid on Wednesday, 15 January 2014 for members whose names appear on the principal or branch register of the Company in Cayman Islands or Hong Kong respectively (collectively the "Register of Members") as at the close of business of Friday, 20 December 2013.

CLOSURE OF REGISTER OF MEMBERS

The Company's Register of Members will be closed from Monday, 16 December 2013 to Friday, 20 December 2013, 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 Friday, 13 December 2013.

REVIEW OF OPERATIONS

For the six months ended 30 September 2013, the Group's revenue was HK$224.8 million (six months ended 30 September 2012: HK$232.0 million) and profit after tax was HK$10.8 million (six months ended 30 September 2012: HK$11.9 million).

During the period, despite the halt sales due to the imposition of first-hand residential property brochure policy, property developers boosted flat sales by offering discounts and rebates to compensate the prevailing cooling measures. We noted a recovery in primary housing market, which drove away the demand for secondary homes and renovation needs, affecting our retail sales.

The administrative expenses was reduced by 9.1% to HK$32.4 million (2012: HK$35.6 million), due to a decrease of auditor's remuneration as compared to last year which included certain audit fee for the year ended 31 March 2012.

WHOLESALE/RETAIL

While our project supply grows along with the increase of construction projects, the project sales was slightly reduced by 3.3% to HK$170.6 million (2012: HK$176.5 million) due to pending delivery schedule and it is expected that the deliveries will be made in the second half of the year. Our retail operation recorded sales of HK$52.1 million (2012: HK$53.0 million), which slightly decreased by 1.7%.

FINANCIAL RESOURCES AND LIQUIDITY

The Group records profit after taxation amounted to HK$10.8 million during the period and its overall financial position is sound. Gross margin is at 40.4% (six months ended 30 September 2012: 39.8%) which is in line with the year ended 31 March 2013 of 37.4%. The profit before taxation for the period amounted to HK$14.1 million, representing a decrease of HK$2.0 million compared to the corresponding period last year.

The Group has maintained sufficient cash holdings to approximately HK$59.6 million (31 March 2013: HK$71.9 million) and borrowings totalling HK$73.1 million (31 March 2013: HK$74.0 million), in which HK$27.5 million is the mortgage of office properties including HK$22.4 million repayable after more than one year. The increase of accounts payables corresponded approximately to that of inventory, reflecting recent goods imported prior to deliveries as at 30 September 2013.

The Group current ratio, based on current assets over current liabilities, is 1.83 (31 March 2013: 2.02). The slight decrease is mainly attributed by the dividend payable for the preceding year. Assets under charge are the mortgaged property acquired and certain bank deposits. Save for the rental commitment of our retail outlets and warehouses, the Group has no other material commitment as at 30 September 2013.

FUTURE PROSPECTS

Stimulated by the active land supply, the completion rates of residential properties is expected to meet the public demand. The strong tourism development in Pearl River Delta, coupled with the grand opening of cruise terminal, is expected to bring forth of the new establishment and renovation of hotel projects. We will continue to serve project supplies with our quality products.

On the other hand, the secondary market will be gradually released and generate demand for renovating homes. While the soaring rental expenses have been recently easing, we shall continue the vigilance in controlling expenses and effective allocation of resources in order to stay competitive in the market.

We note that with the rise of affluent class in the PRC, our efforts in past years in establishing our operation, network and presence there has now set the stage for us offering them the choice of various deluxe furniture and kitchen cabinet imported from Europe.

CONTINGENT LIABILITIES

As at 30 September 2013, performance bonds of approximately HK$12,142,000 (31 March 2013: HK$11,271,000) have been issued by the Group to customers as security of contracts. Of which, restricted cash of HK$2,867,000 (31 March 2013: HK$2,867,000) was held as security for performance bond of the same amount.

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

In the opinion of the directors, the Company has complied with 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 of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 September 2013, with the exception of the following deviation:

Under the code provision A.1.8, the Company should arrange appropriate insurance cover in respect of legal action against its directors. Currently, no insurance cover has been arranged for directors since the directors take the view that the Company shall support Directors in any events arising from corporate activities.

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 2013.

AUDIT COMMITTEE

The Audit Committee has reviewed, with the 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 financial statements for the six months ended 30 September 2013.

PUBLICATION OF FINANCIAL INFORMATION

This result 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 2013 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, 18 November 2013

Website: *www.ebon.com.hk*

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.