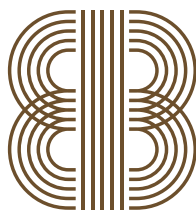


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**E. BON HOLDINGS LIMITED**  
(Incorporated in the Cayman Islands with limited liability)

**怡邦行控股有限公司**

(Stock Code: 599)

## **ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025**

The Board of Directors (the “Board”) of E. Bon Holdings Limited (the “Company”) is pleased to announce the consolidated financial results of the Company and its subsidiaries (together the “Group”) for the year ended 31 March 2025 as follows:

### **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025**

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
<b>Revenue</b>	2	<b>457,782</b>	459,848
Cost of sales	3	<b>(297,783)</b>	(280,638)
<b>Gross profit</b>		<b>159,999</b>	179,210
Other income	2	<b>449</b>	1,291
Other gains/(losses), net	2	<b>302</b>	(981)
Loss on revaluation of properties held for own use		<b>(13,301)</b>	(2,107)
Net impairment losses on financial and contract assets		<b>(218)</b>	(1,195)
Distribution costs	3	<b>(83,281)</b>	(92,687)
Administrative expenses	3	<b>(72,760)</b>	(69,054)
<b>Operating (loss)/profit</b>		<b>(8,810)</b>	14,477
Finance income		<b>1,336</b>	1,924
Finance costs		<b>(4,402)</b>	(5,539)
Finance costs, net		<b>(3,066)</b>	(3,615)
<b>(Loss)/profit before income tax</b>		<b>(11,876)</b>	10,862
Income tax expense	4	<b>(1,564)</b>	(2,319)
<b>(Loss)/profit for the year attributable to equity holders of the Company</b>		<b>(13,440)</b>	8,543

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
<b>Other comprehensive income/(loss)</b>			
<i>Items that have been/may be subsequently reclassified to profit or loss</i>			
Exchange gains on translation of financial statements of foreign operations		<b>51</b>	155
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Losses on revaluation of properties held for own use		<b>(19,379)</b>	(7,576)
Tax effect relating to revaluation of properties held for own use		<b>3,198</b>	1,250
<b>Other comprehensive loss for the year, net of tax</b>		<b>(16,130)</b>	(6,171)
<b>Total comprehensive (loss)/income for the year attributable to equity holders of the Company</b>		<b>(29,570)</b>	2,372
(Loss)/earnings per share (expressed in HK cents per share)			
— Basic and diluted	6	<b>(1.87 cents)</b>	1.19 cents

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2025**

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>237,968</b>	282,812
Right-of-use assets		<b>27,123</b>	37,344
Deferred income tax assets		<b>3,302</b>	5,325
Retention and other receivables	7	<b>5,198</b>	4,840
		<b>273,591</b>	330,321
<b>Current assets</b>			
Inventories		<b>113,181</b>	169,712
Trade, retention and other receivables	7	<b>80,151</b>	115,145
Contract assets	7	<b>5,963</b>	3,837
Current income tax recoverable		<b>3,439</b>	4,394
Time deposits with maturity over three months		<b>33,013</b>	30,309
Cash and cash equivalents		<b>96,444</b>	57,377
		<b>332,191</b>	380,774
<b>Total assets</b>		<b>605,782</b>	711,095
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		<b>71,884</b>	71,884
Reserves		<b>394,039</b>	423,609
<b>Total equity</b>		<b>465,923</b>	495,493

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2025**

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Employee benefit obligations	8	<b>4,745</b>	4,782
Lease liabilities		<b>7,734</b>	19,418
Deferred income tax liabilities		<b>8,313</b>	14,500
		<b>20,792</b>	38,700
<b>Current liabilities</b>			
Trade and other payables	8	<b>20,941</b>	30,977
Contract liabilities	8	<b>45,685</b>	62,804
Lease liabilities		<b>20,789</b>	19,406
Borrowings		<b>26,894</b>	58,602
Derivative financial liabilities		<b>36</b>	–
Current income tax liabilities		<b>4,722</b>	5,113
		<b>119,067</b>	176,902
<b>Total liabilities</b>		<b>139,859</b>	215,602
<b>Total equity and liabilities</b>		<b>605,782</b>	711,095

*Notes:*

## **1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES**

### **1.1 Basis of preparation**

The consolidated financial statements of E. Bon Holdings Limited have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) and disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared on a historical cost convention, as modified by the revaluation of properties held for own use and derivative financial instruments, which are carried at fair values.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

### **1.2 Changes in accounting policy**

#### *(a) Amended standards and interpretation adopted by the Group*

The Group has applied the following amended standards and interpretation for the annual reporting period commencing 1 April 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current; Non-current liabilities with covenants
Amendments to HKAS 7 and HKFRS 17	Supplier Finance Arrangements
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKFRS 16	Lease liabilities in sale and lease back

The amended standards and interpretation to existing standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

# 1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

## 1.2 Changes in accounting policy (Continued)

### (b) New and amended standards and interpretations not yet adopted

Certain new, amendments to accounting standards and interpretation have been published that are not yet effective for the annual reporting period commencing 1 April 2024 and have not been early adopted by the Group:

		Effective for accounting year beginning on or after
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statement	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of assessing the impact of adopting these new, amended standards and interpretation of HKFRS and is not yet in a position to state whether they would have a significant impact on the Group's results and financial position, except for HKFRS 18 which expected to affect the presentation of the statement of profit or loss and disclosures in the Group's consolidated financial statements. The Group is in the process assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

## 2. REVENUE, OTHER INCOME, OTHER GAINS/(LOSSES), NET AND SEGMENT INFORMATION

	2025 HK\$'000	2024 HK\$'000
<b>Revenue</b>		
Sale of goods	417,525	405,658
Contract revenue	40,257	54,190
	<u>457,782</u>	<u>459,848</u>
Timing of revenue recognition:		
— At a point in time	417,525	405,658
— Over time	40,257	54,190
	<u>457,782</u>	<u>459,848</u>
	2025 HK\$'000	2024 HK\$'000
<b>Other income</b>		
Forfeited deposits placed from customers	449	1,291
	<u>449</u>	<u>1,291</u>
<b>Other gains/(losses), net</b>		
Net foreign exchange gain/(loss)		
— Forward contracts	(36)	(1,157)
— Other exchange gain	2,101	176
Loss on disposal of fixed assets	(1,731)	—
Loss from the early termination of leases	(32)	—
	<u>302</u>	<u>(981)</u>

## 2. REVENUE, OTHER INCOME, OTHER GAINS/(LOSSES), NET AND SEGMENT INFORMATION (Continued)

The executive directors of the Company (the “Executive Directors”) are the Group’s chief operating decision-makers. Management has determined the operating segments based on the information reviewed by the Executive Directors for the purposes of allocating resources and assessing performance.

The Group’s reportable operating segments are as follows:

- Architectural builders’ hardware, bathroom collections and others segment — importing, wholesale and retail of architectural builders’ hardware and bathroom collections and others
- Kitchen collection and furniture segment — designing, importing, wholesale, retail and installation of kitchen collections and furniture, interior design services, project and contract management

The measurement policies the Group used for reporting segment results under HKFRS 8 are the same as those used in its consolidated financial statements prepared under HKFRSs.

The Executive Directors assess the performance of the operating segments based on the measure of gross profit. Other operating income and expenses are not allocated to the operating segments as the information is not regularly reviewed by the Executive Directors.

Segment assets include all assets but exclude current income tax recoverable, deferred income tax assets, time deposits with maturity over three months, cash and cash equivalents, property and plant and equipment related to the office premises and warehouse of the Group and other corporate assets which are managed on central basis and are not directly attributable to the business activities of any operating segment.

Segment liabilities include all liabilities but exclude current and deferred income tax liabilities, borrowings, derivatives financial liabilities and other corporate liabilities which are managed on a central basis and are not directly attributable to the business activities of any operating segment.

	2025		
	Architectural builders’ hardware, bathroom collections and others HK\$’000	Kitchen collection and furniture HK\$’000	Total HK\$’000
<b>Reportable segment revenue from external customers</b>	<b>343,757</b>	<b>114,025</b>	<b>457,782</b>
<b>Reportable segment cost of sales</b>	<b>(221,238)</b>	<b>(76,545)</b>	<b>(297,783)</b>
<b>Reportable segment gross profit</b>	<b>122,519</b>	<b>37,480</b>	<b>159,999</b>
<u>Other material segment items:</u>			
Depreciation of property, plant and equipment	(3,843)	(2,839)	(6,682)
Depreciation of right-of-use assets	(15,949)	(7,434)	(23,383)
Provision for inventory obsolescence	(1,006)	(519)	(1,525)
Finance income	1,328	8	1,336
Finance costs	(2,338)	(2,064)	(4,402)
Reversal of net impairment losses/(net impairment losses) on financial and contract assets	136	(354)	(218)
<b>Reportable segment assets</b>	<b>220,512</b>	<b>61,796</b>	<b>282,308</b>
Additions to non-current segment assets during the year	862	5,066	5,928
<b>Reportable segment liabilities</b>	<b>(76,919)</b>	<b>(25,703)</b>	<b>(102,622)</b>



**2. REVENUE, OTHER INCOME, OTHER GAINS/(LOSSES), NET AND SEGMENT INFORMATION**  
**(Continued)**

	2024		
	Architectural builders' hardware, bathroom collections and others <i>HK\$'000</i>	Kitchen collection and furniture <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue from external customers	349,943	109,905	459,848
Reportable segment cost of sales	(211,238)	(69,400)	(280,638)
Reportable segment gross profit	<u>138,705</u>	<u>40,505</u>	<u>179,210</u>
<u>Other material segment items:</u>			
Depreciation of property, plant and equipment	(5,833)	(3,477)	(9,310)
Depreciation of right-of-use assets	(17,443)	(15,237)	(32,680)
Provision for inventory obsolescence	(434)	(299)	(733)
Finance income	1,903	21	1,924
Finance costs	(3,272)	(2,267)	(5,539)
Net impairment losses on financial and contract assets	(1,161)	(34)	(1,195)
Reportable segment assets	290,676	100,783	391,459
Additions to non-current segment assets during the year	829	8,812	9,641
Reportable segment liabilities	<u>(87,671)</u>	<u>(74,035)</u>	<u>(161,706)</u>

## 2. REVENUE, OTHER INCOME, OTHER GAINS/(LOSSES), NET AND SEGMENT INFORMATION (Continued)

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

	2025 HK\$'000	2024 HK\$'000
<b>Reportable segment gross profit</b>	<b>159,999</b>	<b>179,210</b>
<b>Group gross profit</b>	<b>159,999</b>	<b>179,210</b>
<b>Reportable segment assets</b>	<b>282,308</b>	<b>391,459</b>
Property, plant and equipment	187,155	221,805
Deferred income tax assets	3,302	5,325
Current income tax recoverable	3,439	4,394
Time deposits with maturity over three months	33,013	30,309
Cash and cash equivalents	96,444	57,377
Other corporate assets	121	426
<b>Group assets</b>	<b>605,782</b>	<b>711,095</b>
	2025 HK\$'000	2024 HK\$'000
<b>Reportable segment liabilities</b>	<b>102,622</b>	<b>161,706</b>
Borrowings	23,875	33,736
Current income tax liabilities	4,722	5,113
Deferred income tax liabilities	8,313	14,500
Derivative financial liabilities	36	–
Other corporate liabilities	291	547
<b>Group liabilities</b>	<b>139,859</b>	<b>215,602</b>

### Geographical information

	Revenue from external customers		Non-current assets (excluding financial assets and deferred income tax assets)	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong (domicile)	429,392	429,150	264,951	319,864
PRC	28,390	30,698	140	292
<b>Total</b>	<b>457,782</b>	<b>459,848</b>	<b>265,091</b>	<b>320,156</b>

The geographical location of customers is determined based on the location at which the goods were delivered. The geographical location of the non-current assets is determined based on the physical location of the assets.

During the year ended 31 March 2025, no single customer contributed over 10% of the Group's revenue. (2024: same)

### 3. EXPENSES BY NATURE

	2025 HK\$'000	2024 HK\$'000
Employee benefit expenses	80,230	67,712
Auditor's remuneration		
— Audit services	1,264	1,760
— Non-audit services	227	216
Cost of inventories	273,485	265,550
Provision for inventory obsolescence, included cost of sales	1,525	733
Other direct costs, included in cost of sales	22,773	14,355
Bad debt written off	458	—
Depreciation of property, plant and equipment	17,369	20,128
Depreciation of right-of-use assets	23,383	32,680
Expenses relating to short-term lease	351	442
Legal and professional expenses	1,758	2,587
Building management fee	2,454	2,447
Electricity and water	1,079	1,438
Bank charges	1,173	1,681
Entertainment	1,861	2,206
Government rent and rates	1,204	1,942
Transportation	5,571	4,738
Storage charges	7,137	7,275
Printing and stationary	1,542	1,261
Travelling	712	838
Other expenses	8,268	12,390
	<u>453,824</u>	<u>442,379</u>

### 4. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit for the year. The applicable tax rate for the PRC subsidiaries of the Group is 25% (2024: 25%) for the year.

	2025 HK\$'000	2024 HK\$'000
<b>Current tax</b>		
Hong Kong profits tax	2,095	2,817
PRC enterprise income tax	52	12
Under provision in prior years	385	1,007
	<u>2,532</u>	<u>3,836</u>
<b>Deferred taxation</b>	<u>(968)</u>	<u>(1,517)</u>
<b>Income tax expense</b>	<u>1,564</u>	<u>2,319</u>

## 5. DIVIDENDS

### Dividends declared and paid during the year

	2025 HK\$'000	2024 HK\$'000
No final dividend in respect of 2024 (2024: in respect of 2023 of HK\$0.5 cent) per share	<u>–</u>	<u>3,594</u>

The Board do not recommend the payment of a final dividend for the year ended 31 March 2025 (2024: HK\$Nil).

## 6. (LOSS)/EARNINGS PER SHARE

### (a) (Loss)/basic earnings per share

Basic (loss)/earnings per share is calculated by dividing the profit/loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the years.

	2025	2024
(Loss)/profit attributable to the owners of the Company used in calculating basic earnings/loss per share (HK\$'000)	<u>(13,440)</u>	<u>8,543</u>
Weighted average number of shares in issue ( <i>thousand</i> )	<u>718,839</u>	<u>718,839</u>
(Loss)/basic earnings per share attributable to the owners of the Company ( <i>HK cents</i> )	<u>(1.87)</u>	<u>1.19</u>

### (b) Diluted (loss)/earnings per share

Diluted loss/earnings per share for the year ended 31 March 2025 is the same as the (loss)/basic earnings per share as there were no potentially dilutive ordinary shares issued (2024: HK\$Nil).

## 7. TRADE, RETENTION, OTHER RECEIVABLES AND CONTRACT ASSETS

Details of the trade, retention and other receivables and contract assets as at 31 March 2025 and 2024 are listed below:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	70,400	96,532
Less: provision for impairment of trade receivables	<u>(2,111)</u>	<u>(1,886)</u>
	68,289	94,646
Retention receivables	946	1,147
Less: provision for impairment of retention receivables	<u>(260)</u>	<u>(274)</u>
	68,975	95,519
Contract assets	5,993	3,870
Less: provision for impairment of contract assets	<u>(30)</u>	<u>(33)</u>
	74,938	99,356
Other receivables, deposits and prepayments	<u>16,374</u>	<u>24,466</u>
	91,312	123,822
Less: non-current portion		
Retention receivables	(103)	(32)
Deposits	<u>(5,095)</u>	<u>(4,808)</u>
<b>Current portion</b>	<b><u>86,114</u></b>	<b><u>118,982</u></b>

All non-current receivables are due within five years from the end of the respective reporting dates.

The ageing analysis of trade receivables at the reporting date by invoice date is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–90 days	45,323	62,458
91–365 days	13,962	14,730
Over 365 days	<u>11,115</u>	<u>19,344</u>
	<b><u>70,400</u></b>	<b><u>96,532</u></b>

The majority of the Group's sales are with credit terms of 30 to 90 days, while some customers are granted an extended credit period of up to 120 days.

## 7. TRADE, RETENTION, OTHER RECEIVABLES AND CONTRACT ASSETS (Continued)

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a life time expected loss allowance for all trade, retention receivables and contract assets.

The movement in the provision of expected credit loss on trade, retention receivables and contract assets is as follows:

	2025 HK\$'000	2024 HK\$'000
Balance at beginning of the year	2,193	1,397
Loss allowance for the year	218	1,195
Written-off	–	(488)
Exchange difference	(10)	89
	<u>2,401</u>	<u>2,193</u>
Balance at end of the year	<u>2,401</u>	<u>2,193</u>

As at 31 March 2025, the carrying values of trade and other receivables approximate their fair values (2024: same).

## 8. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Trade payables	14,518	25,724
Accrued charges and other payables	6,423	5,253
Contract liabilities	45,685	62,804
Employee benefit obligations	4,745	4,782
	<u>71,371</u>	<u>98,563</u>
Less: non-current portion		
Employee benefit obligations	(4,745)	(4,782)
	<u>(4,745)</u>	<u>(4,782)</u>
<b>Current portion</b>	<u><b>66,626</b></u>	<u><b>93,781</b></u>

The ageing analysis of the trade payables at the reporting date by invoice date is as follows:

	2025 HK\$'000	2024 HK\$'000
0–90 days	9,383	19,156
91–365 days	4,825	3,156
Over 365 days	310	3,412
	<u>14,518</u>	<u>25,724</u>

As at 31 March 2025, the carrying values of trade and other payables approximate their fair values (2024: same).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in importing, wholesale, retailing, and installing architectural builders' hardware, bathroom, and kitchen collections, as well as furniture, and providing interior design services, project management, and contract management in Hong Kong and the People's Republic of China (the "PRC").

For the financial year ended 31 March 2025, E. Bon Holdings Limited operated in a global economic environment that has become increasingly volatile. Despite the rising macroeconomic and geopolitical headwinds, the Company has demonstrated resilience, navigating a challenging operating landscape for Hong Kong businesses. This underscores the uncertainty facing property developers, investors, and consumers alike. The interplay of persistently high United States (the "U.S.") interest rates, rising global energy prices, renewed Middle East instability, and growing U.S. protectionism, under Donald John Trump's (the "Trump's") renewed isolationist platform and shifting trade policies, continued to influence market conditions, particularly in Hong Kong's real estate and construction sectors.

Current tariff conflict, directed at various nations but particularly the PRC, has contributed to a potential increase inflation in the U.S. The introduction of widespread tariffs and escalating import costs might worsen this inflationary trend. In recent months, the U.S. dollar has weakened; the U.S. Dollar Index indicates a decline of approximately 7.5% since early 2025, reflecting a decline in investor confidence amid rising tensions and concerns about trade policy and fiscal discipline.

In light of the ongoing trade and geopolitical uncertainties that have led to high inflation in the U.S., the Federal Reserve is expected to maintain its policy rate between 4.25% and 4.50%. On 18 June 2025, U.S. Federal Reserve Chair Jerome Powell reaffirmed the Fed's commitment to controlling inflation, stating that the "focus is on keeping inflation low and employment high in the near term." Consequently, financial markets adjusted their expectations: the U.S. 30-year Treasury yield rose to 4.88%, a clear signal that rate cuts are unlikely in the medium term.

The depreciation of the U.S. dollar against major currencies, driven by rising U.S. deficits and uncertainties in trade policy, directly weakens the Hong Kong dollar's peg. This means that a notable decline in the U.S. dollar against major currencies, such as the Euro or the British pound, results in a similar drop in the Hong Kong dollar's value against those currencies. As a result, import costs from both the EU and the UK have risen significantly in recent months. This situation has further squeezed profit margins for Hong Kong businesses that rely on imported goods and raw materials, despite the Hong Kong dollar maintaining stability within its official peg range against the U.S. dollar.

The US-China tariffs conflict and China's countermeasures have significantly impacted Hong Kong's economy, owing to its close ties with China and its position as a global trade and financial hub. Disruptions related to tariffs have led to reduced re-export volumes, diminished investor and consumer confidence, and increased import costs resulting from currency fluctuations and supply chain uncertainties. These challenges have hindered business activity, particularly in trade, logistics, and real estate, while undermining Hong Kong's role as a neutral gateway between the East and the West. Consequently, the escalating geopolitical tensions pose ongoing risks to Hong Kong's economic stability and growth potential.

For the financial year ended 31 March 2025, the Group recorded revenue of approximately HK\$457.8 million, maintaining a stable performance compared to the previous year, which was HK\$459.8 million. While revenue remains largely consistent with that of last year, increased costs of goods sold by 6.0% due to the appreciating Euro, and heightened market competition have resulted in an 11.0% decline in gross profit, falling from HK\$179.2 million to HK\$160.0 million. Despite these challenges, the Company's stable revenue is a testament to its resilience in the face of economic uncertainties.

The prolonged high-interest rate environment in the U.S., sustained by the Federal Reserve in response to inflationary pressures, has had direct consequences for Hong Kong's economy, given the city's currency peg to the U.S. dollar. The depreciation of the U.S. dollar has resulted in inflationary pressures within the Hong Kong economy. Elevated borrowing costs have curtailed consumer spending, corporate investment, and hiring of new employees, leading to more cautious business activity across various industries. Long-term rates in Hong Kong remain high, affecting mortgage affordability and eroding market confidence.

The Rating and Valuation Department (the "RVD") reports that in 2023, 43,002 private housing units were sold, with approximately 25.0% of these being primary sales. This number increased to 53,099 units in 2024, where 32.0% were classified as primary sales. Between January and April 2025, 17,887 units were sold, with 31.0% coming from the primary market. This data shows that newly completed units consistently account for approximately 30.0% of total private housing transactions.

The RVD transaction data further reveals a continuing oversupply in the private domestic housing market in the coming years. Although total transactions have increased year-on-year, primary-market absorption remains structurally lower than new supply. Current estimates for annual primary-market sales range from approximately 14,400 to 16,990 units.

In contrast, private housing completions are expected to reach 20,860 units in 2025 and 20,100 units in 2026. This indicates that new build supply will continue to exceed primary market demand by approximately 4,000 to 6,000 units each year.

Moreover, this imbalance between supply and demand is exacerbated by unsold inventory and ongoing turnover in the secondary market, which refers to the continuous buying and selling of existing homes, resulting in a total available housing stock that significantly surpasses the annual transaction volume of approximately 50,000 units.



In short, there are more houses available than buyers in both the primary and overall markets. This excess supply is steadily driving house prices down in Hong Kong, and this trend is expected to continue for a while.

The recent influx of talent migrants to Hong Kong has primarily bolstered the private residential rental market rather than increasing property purchases. Many newcomers, drawn by the Top Talent Pass Scheme (the “TTPS”) and the Quality Migrant Admission Scheme (the “QMAS”), prefer renting due to its flexibility and the considerable financial and regulatory challenges linked to homeownership, including high stamp duties and stricter mortgage requirements for non-permanent residents. While this demographic has driven up demand and rental prices in major urban areas, their impact on private residential sales remains minimal, with purchases largely restricted to a small number of long-term or high-net-worth individuals.

The RVD reports that the private residential property price index in Hong Kong fell by 7.7% in April compared to the same period last year. This marks the thirteenth consecutive quarter of decline, resulting in a total decrease of over 30.0% since the middle of 2023. The ongoing drop in prices is linked to a complex mix of macroeconomic and geopolitical factors significantly impacting Hong Kong’s real estate market, leading developers to prioritise the sale of existing inventory. This scenario has triggered a negative feedback loop, characterised by declining consumer and investor confidence, which in turn leads to reduced market activity, falling property prices, and a decrease in investment flows.

Our financial results for 2025, with steady sales turnover, resulted in a 6.0% increase in costs of goods sold, leading to an 11.0% decrease in gross profit (by HK\$19.2 million compared to the previous year). This decline was driven by external pressures that affected pricing and cost structures.

The Company has encountered significant financial challenges and recorded a substantial non-cash loss of HK\$44.4 million due to property valuations during the year. Of this amount, HK\$13.3 million was recognised as impairment in the consolidated statement of comprehensive income, with an additional HK\$19.4 million recorded through other comprehensive income. Despite these valuation losses, our core operations remained stable. Rigorous cost-control efforts helped to contain operating expenses, partially offsetting margin pressures and inflating staff cost.

We acknowledge the recent decline in our reported profits, primarily driven by asset revaluation rather than operational weakness. Our core business fundamentals remain sound, and we continue to execute our strategic vision with resilience and determination.

In this challenging year, the Company has been dedicated to operational efficiency, market adaptability, and long-term value creation. The Group consistently supplies high-quality building materials, sanitary ware, and interior solutions while actively adapting its product range to align with changing consumer preferences. In response to the rising demand for budget-friendly options due to increased price sensitivity, the Group has strategically modified its product portfolio to better address shifting market dynamics.

## REVENUE REVIEW

### Revenue by business segment

For the year ended 31 March 2025, the Group's total revenue was HK\$457.8 million, representing a decrease of 0.4% as compared with the previous year.

	Revenue from external customers			As a percentage of sales	
	2025 HK\$'000	31 March 2024 HK\$'000	Change (%)	2025 (%)	2024 (%)
Architectural builders' hardware, bathroom collections and others	343,757	349,943	(1.8)	75.1	76.1
Kitchen collection and furniture	114,025	109,905	3.7	24.9	23.9
	<u>457,782</u>	<u>459,848</u>	<u>(0.4)</u>	<u>100.0</u>	<u>100.0</u>

### Profitability by business segment

	Reportable segment gross profit			Gross profit margin	
	2025 HK\$'000	2024 HK\$'000	Change (%)	2025 (%)	2024 (%)
Architectural builders' hardware, bathroom collections and others	122,519	138,705	(11.7)	35.6	39.6
Kitchen collection and furniture	37,480	40,505	(7.5)	32.9	36.9
	<u>159,999</u>	<u>179,210</u>	<u>(10.7)</u>	<u>35.0</u>	<u>39.0</u>

Revenue from the architectural builders' hardware, bathroom collections and others segment decreased by 1.8% to HK\$343.8 million (2024: HK\$349.9 million) as compared to the previous year. During the year, we supplied for projects such as 101 King's Road, Beacon Peak, Deep Water Pavilia, Cullinan Sky.

Revenue from the kitchen collection and furniture segment increased by 3.7% to HK\$114.0 million (2024: HK\$109.9 million) as compared to the previous year. During the year, we supplied for project such as JARDINI.

The overall gross profit of the Group amounted to HK\$160.0 million (2024: HK\$179.2 million), representing a decrease of 10.7% from the previous year. The overall gross profit margin decreased from 39.0% to 35.0%.

The Group's operating loss was HK\$8.8 million (2024: operating profit: HK\$14.5 million), representing a decrease of 160.9% from the prior year. The amount of administrative expenses and distribution costs decreased by 3.5% to HK\$156.0 million (2024: HK\$161.7 million) which reflected our efforts in controlling selling expenses despite resumption in selling activities, cost control in rental and distribution and ever inflating staff cost.

## **FINANCIAL REVIEW**

### **Liquidity and Financial Resources**

The Group continues to operate its business in Hong Kong and the PRC while adopting a prudent financial management policy. The current ratio and quick ratio are 2.8 (2024: 2.2) and 1.8 (2024: 1.2), respectively. Cash and cash equivalents and time deposits with maturity over three months approximated HK\$129.5 million as at 31 March 2025 (2024: HK\$87.7 million).

Inventories decreased to HK\$113.2 million (2024: HK\$169.7 million). The trade, retention and other receivables decreased to HK\$80.2 million (2024: HK\$115.1 million), while the trade and other payables decreased to HK\$20.9 million (2024: HK\$31.0 million).

As at 31 March 2025, the gearing ratio (net debt divided by total equity) of the Group is net cash position (2024: 2.0%). The interest-bearing borrowings of the Group decreased to HK\$26.9 million (2024: HK\$58.6 million) as at 31 March 2025.

### **Treasury Policy**

Borrowings, cash and cash equivalents are primarily denominated in Hong Kong Dollars (“HK\$”) and Euro (“Euro”). During the year, the Group entered into certain forward contracts to buy Euro for settlement of purchases. The management will continue to monitor the foreign exchange risk exposure of the Group.

### **Contingent Liabilities**

We seek to manage our cash flow and capital commitments effectively to ensure that we have sufficient funds to meet our existing and future cash requirements. We have not experienced any difficulties in meeting our obligations as they become due. Assets under charge include mortgaged property acquired. As at 31 March 2025, performance bonds of approximately HK\$2.7 million (2024: HK\$7.9 million) have been issued by the Group to customers as security of contracts. Save for the performance bonds for projects, the Group has no other material financial commitments and contingent liabilities as at 31 March 2025.

## **FUTURE PROSPECTS**

Ongoing global tariff disputes, potential retaliatory actions against the U.S., and particularly the trade tensions between the U.S. and China, have disrupted supply chains, eroding confidence in Hong Kong as a key link between China and international trade. These tensions have led to a shift in trade routes and a decrease in the volume of goods passing through Hong Kong, impacting the city’s economy and its status as a major trading hub. These tariffs, along with escalating geopolitical tensions, have disrupted logistics, leading to longer lead times and increased freight and warehousing costs. This disruption affects trade flows and has repercussions for sectors such as logistics, finance, and professional services. Hong Kong companies involved in cross-border transactions are facing and will continue to face increasing operational costs and regulatory challenges, leading to a decline in investment activities.

Tariff wars and retaliatory actions continue to impact global trade, resulting in increased logistics expenses. Tariffs and retaliatory duties function as an unrecognised tax, elevating import expenses and contributing to overall inflation. This inflationary burden restricts the Federal Reserve's capacity to lower rates, which keeps borrowing costs high throughout the economy. Elevated yields raise yearly interest payments on the U.S. debt, intensifying budgetary challenges and expanding fiscal deficits. Over time, these factors can diminish trust in both U.S. Treasuries and the dollar itself, as investors question the sustainability of U.S. fiscal and monetary policy.

Market analysts attribute the substantial volatility of the U.S. dollar in 2025 to various interrelated factors. Modifications in expectations concerning the Federal Reserve's interest rate trajectory and evolving inflation trends generated uncertainty in monetary policy. The increasing tariffs between the U.S. and China, combined with other trade policy disruptions, weakened growth forecasts and created downward pressure on the currency. These trade tensions have not only affected the value of the U.S. dollar but also influenced global economic conditions and investor sentiment. Fluctuating geopolitical tensions — especially the Iran — Israel conflict — led to increased safe-haven investments. At the same time, divergent growth rates among major economies, alterations in reserve-currency demand, and speculative activities within foreign exchange markets exacerbated fluctuations in exchange rates.

The depreciation of the U.S. dollar, which affects the Hong Kong dollar due to its peg, has increased import and logistics costs, leading to significant inflationary pressures on both households and businesses. Hong Kong companies involved in cross-border transactions are facing increasing operational costs and regulatory challenges, which are leading to a decline in investment activities and eroding confidence in Hong Kong as a key hub for China's international trade. Despite this, Hong Kong continues to play an essential role as an offshore RMB clearing hub, processing 79.3% of global RMB transactions. This status enhances its strategic significance while also leaving it vulnerable to uncertainties in capital flows due to external financial pressures.

On 2 February 2025, Hong Kong's Financial Secretary, Mr. Paul Chan, cautioned that sustained high interest rates in the U.S. will maintain inflationary pressures in Hong Kong, resulting in higher borrowing costs and reduced consumer spending. The expectation of persistently high U.S. interest rates is likely to increase local borrowing costs, which will gradually affect housing affordability. Combined with external inflationary pressures and economic uncertainty, this is likely to erode market confidence.

As discussed in the Business Review above, the ongoing tensions between the U.S. and China may weaken Hong Kong's ability to serve as a neutral connector between East and West. Furthermore, its position as an offshore RMB centre and its capacity to provide professional services for supply chain restructuring could see additional enhancement. Meanwhile, increased integration with China's Greater Bay Area initiative might amplify Hong Kong's strategic importance. Nevertheless, these benefits could be limited and impacted by regulatory and geopolitical uncertainties, providing only marginal relief amid broader economic difficulties.

Many companies are holding back on investment and aggressive hiring due to macroeconomic uncertainties. An unpredictable job market and income prospects have led to a more cautious "wait-and-see" approach among buyers of private residential units, deterring potential homebuyers in a declining real estate market. Some may choose to postpone their purchases in anticipation of further price drops, while others could find homeownership financially unfeasible.

As mentioned in the Business Review above, concerning the sales trend of residential units sold in 2023, 2024, and 2025, the market continues to be considerably oversupplied despite a minor recovery in sales. Annual private housing completions are expected to reach 20,860 units in 2025 and 20,100 units in 2026, both exceeding the primary market's average absorption rate of 14,400 to 16,990 units per year. Additionally, the anticipated rise in public housing completions — from 20,200 units in 2026/27 to over 43,000 units by 2029/30—may indirectly free up around 20,000 to 40,000 private rental units annually, as those transitioning to public subsidised housing vacate their rental properties; this change will not affect the private residential market.

Macroeconomic instability, rising inflation, and high interest rates are affecting buyer sentiment in Hong Kong's residential market, altering the dynamics of the property. In the sector, declining market perception and a cautious approach among participants, along with ongoing oversupply, a significant quantity of unsold inventory, and minimal secondary market activity, are likely to worsen the expected drop in buyer engagement, ultimately affecting prices and the overall market confidence. Continued weak demand and policy uncertainty indicate that developers will likely continue to provide discounts and incentives to attract buyers.

Given these dynamics, the forecast for Hong Kong's private residential market next year remains cautious. High interest rates, persistent inflation, geopolitical uncertainty, and a structural oversupply of residential units are expected to keep exerting downward pressure on housing prices and transaction levels.

Home prices are now about 30.0% lower than their peak in 2021, influenced by previous interest rate increases, an ailing economy, and an excess of supply. Despite the removal of almost all home-purchase restrictions in 2024, demand remains weak, analysts predict that prices may decline further in 2025.

Given this perspective, Hong Kong's economic slowdown has increased consumer sensitivity to prices, particularly in the furniture and home renovation sectors. This has sharpened competition and limited pricing options. The Group expects weak demand for premium and high-end products as consumers are leaning towards more affordable, mid-range alternatives. Additionally, rising import and logistics costs are likely to exert further pressure on gross margins. To maintain competitiveness and resilience, the Group plans to actively seek opportunities in the public and subsidised housing markets, projected to experience steady growth. We also intend to improve operational efficiencies and refine our product offerings to better meet the evolving market demands.

The Company is proactively tackling and regularly evaluating macroeconomic disturbances, including the enduring effects of Trump's tariff policies and the Iran-Israel conflict. These efforts are designed to strengthen our reputation as a resilient and adaptable organisation ready to face challenging global circumstances. We are broadening our trade, minimising financial risks, and diligently managing expenses to safeguard our liquidity, stabilise our margins, and position the Company for recovery as the macroeconomic landscape improves.

In the context of global trade tensions, rising tariffs, currency depreciation, and declining property markets present systemic risks and challenges for all publicly traded companies, including ourselves; our profit warning should not be interpreted as a sign of weakness in our core operations; rather, it is a strategic response to these external pressures. This proactive approach demonstrates our resilience and commitment to navigating these challenges.

Looking ahead, the Group recognises that global macroeconomic uncertainties will remain crucial factors influencing market sentiment and business conditions. While these challenges may persist, the Group plans to leverage its strong industry standing, robust business model, and firm supplier relationships. These partnerships, based on trust and mutual benefit, guarantee a consistent supply of high-quality materials even during uncertain times, bolstering our resilience amid ongoing challenges and securing sustained long-term growth.

Considering the unpredictable external environment, especially regarding Hong Kong's economic outlook, the Group stresses that any specific market prediction would necessarily be speculative. Thus, the Group refrains from offering concrete business forecasts at this time, opting for a cautious and adaptable approach that is both responsible and realistic in the face of global trends and regional issues.



## **SUSTAINABLE DEVELOPMENT**

Sustainability is embedded in the Group's business operations that create sustainable value with its stakeholders in economic, environmental and social dimensions. The Group has developed a dedicated sustainability policy which directs its operations towards the best practice in areas such as business growth, environmental protection, employment and labour practices, operating practices and community involvement.

Full details of the Environmental, Social and Governance Report will be set out in the Annual Report 2024/25. The Group's environmental and social policies are highlighted below:

### **Environment**

The Group endeavours to minimise pollution and protect the environment by conserving natural resources, reducing the use of energy and waste. We first implement business activities for which we bear responsibility and address the environmental issue by integrating environment considerations in our business. We create environmental awareness amongst our staff members and whenever possible and practical to do so. We aim to contribute to the sustainable future and be in harmony with the global environment.

### **Human Resources and Remuneration Policy**

As at 31 March 2025, our workforce was recorded at 127 employees (2024: 134). Total staff costs (including Directors' emoluments) amounted to HK\$80,230,000 (2024: HK\$67,712,000). Competitive packages are offered to attract, retain and motivate competent individuals. Remuneration policy of the Group is reviewed regularly, making reference to legal framework, market conditions and both the Group's and individual performances.

The Group is committed to promoting equal opportunities for all of our employees, the provision of a healthy and safe workplace and encouraging work-life balance.

### **Customers**

The Group's objective is to become one of the leading quality suppliers of architectural builders' hardware, bathroom, kitchen collections and furniture. Our goal is to enhance the brand value of the Group by managing customers' expectation of getting products that commensurate with their lifestyles. We strive to provide quality products and services to fulfil customers' needs; and to establish the brand and reputation of our Group for customers' recognition of our ability to serve them with two fundamental qualities, "sincerity" and "quality", which would enable us to build customer loyalty, allowing us to establish strong customer relationships for future businesses.

## **Suppliers**

As our operations connect us to a wide range of stakeholders along the supply chain, we strive to make sure that sustainability considerations have been embedded in our procurement practices. Our environmental and social policy is in place to facilitate communication and align our sustainability expectations with our suppliers and sub-contractors. We conduct appraisals to evaluate performance of suppliers and sub-contractors. Factors assessed include production capacity, technical capability, quality control systems, personnel quality and sustainability performance.

## **CORPORATE GOVERNANCE CODE**

The Company is committed to maintaining its high standard of corporate governance, and continues to review and reinforce its corporate governance measures. Full details of which will be set out in the Corporate Governance Report contained in the Annual Report 2024/25 of the Company.

In the opinion of the Directors, the Company has complied with all the code provisions in the Corporate Governance Code as set out in Appendix C1 of the Listing Rules throughout the year ended 31 March 2025, except for the following:

Under the code provision D.2.5, the Company should have an internal audit function. Given the current scale of operations, the Company does not have an internal audit department. However, the Board has put in place adequate measures to perform the internal audit function. The Board reviews the Group's complex risk management and internal control systems from time to time so as to assurance its adequacy and effectiveness. The Board will continue to review, at least annually, this arrangement going forward in light of the evolving needs of the Group.

Since 31 December 2024, the Company had not been in compliance with the board diversity requirement under Rule 13.92 of the Listing Rules, which prohibits a single-gender board. Following the appointment of Ms. MAN Yuk Fan as an independent non-executive director of the Company on 21 February 2025, the Board has achieved gender diversity and is now in compliance with Rule 13.92 of the Listing Rules.

## **COMPLIANCE OF MODEL CODE FOR SECURITIES TRANSACTIONS**

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by Directors. Having made specific enquiry of all Directors, the Directors confirmed compliance with the required standard set out in the Model Code throughout the year ended 31 March 2025.



## **DIVIDENDS**

The Board did not declared and paid an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: HK\$Nil).

The Board do not recommend the payment of final dividend for the year ended 31 March 2025 (year ended 31 March 2024: HK\$Nil).

## **ANNUAL GENERAL MEETING**

The annual general meeting (the “AGM”) will be held on 5 September 2025. Notice of the AGM will be published and despatched to shareholders of the Company in the manner as required by the Listing Rules in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed as follows:

For the purpose of determining shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from 2 September 2025 to 5 September 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the right to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 1 September 2025.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

The Company had not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company’s listed securities during the year.

## **AUDIT COMMITTEE**

The Audit Committee comprises three independent non-executive directors of the Company, namely, Mr. WAN Sze Chung (Chairman), Mr. WONG Wah, Dominic and Dr. LUK Wang Kwong. The Audit Committee has reviewed, with the management, the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal controls, financial reporting matters including a review of the audited consolidated financial statements for the year ended 31 March 2025.

## SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

## PUBLICATION OF FINANCIAL INFORMATION

This result announcement is published on the websites of the Company ([www.ebon.com.hk](http://www.ebon.com.hk)) and The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>). The Company's Annual Report 2024/25 will be despatched to the shareholders and available on the same websites in due course.

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

Hong Kong, 24 June 2025

Website: [www.ebon.com.hk](http://www.ebon.com.hk)

*As at the date of this announcement, the Board of Directors comprises nine 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 four are independent non-executive Directors, namely Mr. WONG Wah, Dominic, Mr. WAN Sze Chung, Dr. LUK Wang Kwong and Ms. MAN Yuk Fan.*