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 2010

The board of directors (the "Board") of E. Bon Holdings Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2010.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

		Unaudited Six months ended 30 September	
		2010	2009
	Note	***HK$'000***	*HK$'000*
			(restated)
Turnover	*2*	**201,579**	213,213
Cost of sales		**(127,639)**	(130,455)
Gross profit		**73,940**	82,758
Other income	*2*	**54**	31
Selling and distribution expenses		**(31,902)**	(27,419)
Administrative expenses		**(24,959)**	(24,833)
Fair value change on derivative financial instruments		**–**	(322)
Finance costs		**(324)**	(301)
Profit before income tax	*3*	**16,809**	29,914
Income tax expense	*4*	**(3,626)**	(4,931)
Profit for the period		**13,183**	24,983
Other comprehensive income, net of tax			
Exchange difference on translation on financial statements of foreign operation		**334**	341
Total comprehensive income for the period		**13,517**	25,324
Dividends	*5*	**3,003**	4,620
Basic earnings per share	*6*	**HK 4.39 cents**	HK 8.32 cents*

* *restated*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010

	Note	**Unaudited 30 September 2010 *HK$'000***	Audited 31 March 2010 *HK$'000* (restated)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**85,880**	83,633
Deferred tax assets		**1,570**	1,570
		87,450	85,203
Current assets			
Inventories		**85,734**	84,742
Trade and other receivables	*7*	**125,040**	122,979
Cash and cash equivalents		**47,405**	51,918
		258,179	259,639
Current liabilities			
Trade and other payables	*8*	**62,010**	38,942
Interest-bearing borrowings		**20,323**	47,340
Provision for tax		**6,249**	3,996
		88,582	90,278
Net current assets		**169,597**	169,361
Total assets less current liabilities		**257,047**	254,564
Non-current liabilities			
Interest-bearing borrowings		**12,886**	13,525
Deferred tax liabilities		**4,760**	4,760
		17,646	18,285
NET ASSETS		**239,401**	236,279
EQUITY			
Share capital		**30,030**	23,100
Reserves		**209,371**	213,179
TOTAL EQUITY		**239,401**	236,279

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 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 2010 except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which included 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 2010.

Amendment to HKAS 17 "Leases"

As part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, lessees were required to classify leasehold land as operating leases and present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendment has removed such a requirement. The amendment to HKAS 17 requires that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not risks and rewards incidental to ownership of a leased asset have been transferred substantially to the lessee.

In accordance with the transitional provisions set out in the amendment to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1 April 2010 based on information that existed at the inception of these leases. Leasehold land that qualifies for finance lease classification has been reclassified from prepaid lease payments to property, plant, and equipment and has been measured using the revaluation model on a retrospective basis. The application of the amendment has had no significant financial impact to the Group's consolidated income statements for the current and prior periods. The cumulative effects to the Group's consolidated statements of financial position as at 1 April 2009 and 31 March 2010 are summarised as below.

	At 31 March 2010			At 1 April 2009		
	Originally stated	**Amendment to HKAS 17**	**Restated**	Originally stated	Amendment to HKAS 17	Restated
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
	(Audited)			(Audited)		
Property, plant and equipment	**52,645**	**30,988**	**83,633**	45,734	27,636	73,370
Prepaid land lease payments	**29,911**	**(29,911)**	**–**	30,534	(30,534)	–
Total effect on net assets	**82,556**	**1,077**	**83,633**	76,268	(2,898)	73,370
Retained earnings	**135,517**	**286**	**135,803**	105,126	(2,898)	102,228
Properties revaluation reserve	**27,647**	**791**	**28,438**	22,154	–	22,154
Total effect on equity	**163,164**	**1,077**	**164,241**	127,280	(2,898)	124,382

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 are as follows:

	Unaudited Six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
Turnover – sales of goods	**201,579**	213,213
Other revenue	**24**	10
Interest income	**30**	21
	201,633	213,244

Primary reporting format – business segments

The Group is primarily engaged in two main business segments:

Wholesale	importing and wholesale of architectural builders hardware, bathroom, kitchen collections and furniture to dealers, traditional hardware stores, contractors and property developers.
Retail	sale of architectural builders hardware, bathroom, kitchen collections and furniture through the Group's retail outlets.

	Unaudited Six months ended 30 September 2010		
	Wholesale	**Retail**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Revenue			
– From external customers	**155,963**	**45,616**	**201,579**
– Inter-segment sales	**21,531**	**–**	**21,531**
Reportable segment revenue	**177,494**	**45,616**	**223,110**
Reportable segment profit	**14,285**	**2,848**	**17,133**
Reportable segment assets	**224,432**	**27,547**	**251,979**
Reportable segment liabilities	**73,830**	**156**	**73,986**

	Unaudited Six months ended 30 September 2009		
	Wholesale	Retail	Total
	HK$'000	*HK$'000*	*HK$'000*
	(restated)	(restated)	(restated)
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	25,871	4,344	30,215
Reportable segment assets	194,198	22,117	216,315
Reportable segment liabilities	52,968	218	53,186

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	
	2010	2009
	HK$'000	*HK$'000*
		(restated)
Total reportable segment profit	**17,133**	30,215
Finance costs	**(324)**	(301)
Profit before income tax	**16,809**	29,914

Geographical information

	Revenue from external customers		**Non-current assets**	
	Unaudited Six months ended 30 September		**Unaudited Balance at 30 September**	Audited Balance at 31 March
	2010	2009	**2010**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
				(restated)
Hong Kong (domicile)	**160,403**	213,213	**85,177**	82,892
Mainland China	**41,176**	–	**703**	741
Total	**201,579**	213,213	**85,880**	83,633

3. PROFIT BEFORE INCOME TAX

	Unaudited Six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
		(restated)
This is stated after charging/ (crediting):		
Cost of inventories	**127,639**	130,455
Depreciation on property, plant and equipment	**4,122**	2,710
Net exchange loss	**117**	560
Operating lease payments in respect of premises	**18,454**	14,991
(Write back) / Provision for slow-moving inventories, included in cost of inventories	**(4,324)**	2,544
Staff costs, including directors' emoluments	**17,936**	16,315

4. INCOME TAX EXPENSES

(a) Hong Kong Profits Tax has been provided at the rate of 16.5% (2009: 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	
	2010	2009
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Tax expense for the period	**3,626**	4,931

(b) Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 16.5% (2009: 16.5%).

The movement on the deferred tax liabilities / (assets) account is as follows:

	Unaudited 30 September 2010	Audited 31 March 2010
	HK$'000	*HK$'000*
At beginning of period/year	**3,190**	2,226
Deferred taxation charged to income statement/ equity	**–**	964
At the end of the period/year	**3,190**	3,190
Represented by:		
Deferred tax liabilities	**4,760**	4,760
Deferred tax assets	**(1,570)**	(1,570)
	3,190	3,190

5. DIVIDENDS

The Board has resolved to recommend the payment of dividend of HK1.0 cent (2009: HK2.0 cents).

	Unaudited Six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
Interim dividend of HK1.0 cent (2009: HK2.0 cents) per share	**3,003**	4,620

At a Board meeting held on 29 November 2010, the Board of Directors proposed an interim dividend of HK1.0 cent (30 September 2009: HK2.0 cents) per ordinary share. Such proposed interim dividends are not reflected as dividend payables in the Group's financial statements for the period.

6. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit for the period of HK$13,183,000 (six months ended 30 September 2009: HK$24,983,000) and the 300,300,000 ordinary shares (30 September 2009: 300,300,000 ordinary shares, restated) in issue during the period. Diluted earnings per share for the periods were not disclosed as there were no dilutive potential ordinary shares.

The number of ordinary shares for both years for the purpose of basic earnings per share has been adjusted for the bonus issue approved pursuant to the annual general meeting held on 9 September 2010.

The adjustment to comparative earnings per share, arising from the bonus issue is as follows:

	HK cents
Reported figure before adjustments	10.80
Adjustment arising from the bonus issue	(2.49)
Adjustment arising from amendment to HKAS 17	0.01
Restated figure	8.32

7. TRADE RECEIVABLES

Included in the balance are trade 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 2010	39,876	6,348	7,421	27,101	80,746
Balance at 31 March 2010	50,222	13,114	7,797	23,553	94,686

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 PAYABLES

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

	0– 30 days *HK$'000*	31 – 60 days *HK$'000*	61 – 90 days *HK$'000*	Over 90 days *HK$'000*	Total *HK$'000*
Balance at 30 September 2010	34,076	546	301	4,836	39,759
Balance at 31 March 2010	23,418	461	128	1,974	25,981

INTERIM DIVIDEND

The Board of Directors has resolved to recommend the payment of an interim dividend of HK1.0 cent per share to be paid on 5 January 2011 (Wednesday) 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 20 December 2010 (Monday).

CLOSURE OF REGISTER OF MEMBERS

The Company's Register of Members will be closed from 15 December 2010 (Wednesday) to 20 December 2010 (Monday), 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 14 December 2010 (Tuesday).

REVIEW OF OPERATIONS

For the past six months ended 30 September 2010, the Group's unaudited accounts shows that consolidated turnover was HK$201.6 million (six months ended 30 September 2009 HK$213.2 million) and consolidated profit after tax was HK$13.2 million (six months ended 30 September 2009: HK$25.0 million). During this period, despite the easing of the completion of residential property units, the Group's operation was in line with the current trend of business plan; the increase in rental expenses, which correspond to the new showrooms at Star Street, Wanchai specialising in sales of world-class kitchen fittings and furniture, has been paid off with well-received market response. Meanwhile we have entered into the first phase of investment in our China operation with the establishment of our first showroom in Shanghai in early 2011, which lays a foundation for our business in sales of premier products in the Mainland.

FINANCIAL POSITION

The Group records profit after taxation during the period and its overall financial position is sound. Gross margin is at 36.7% (30 September 2009: 38.8 %) which is in line with the year ended 31 March 2010 of 37.4%. The profit before taxation for the period amounts to HK$16.8 million representing a decrease of 43.8%. The effective control in overhead expenditure continues despite the increase in rents of our showrooms and retail outlets, preliminary expenses of new showrooms and additional expenditure in upgrading existing ones, and the increase in staff costs in relation to the establishment of new showrooms, the profit after tax amounts to HK$13.2 million. The Group holds approximately HK$47.4 million in cash (31 March 2010: HK$51.9 million) and interest-bearing borrowings totalling HK$33.2 million, in which HK$14.2 million is the mortgage of office properties including HK$12.9 million repayable after more than one year. The Group current ratio, which is calculated based on current assets over current liabilities is 2.91 (31 March 2010: 2.88). During the period, the Group has no significant exposure to foreign currency fluctuation. Assets under charged are the mortgaged property acquired and the Group has no material capital commitment as at 30 September 2010.

FUTURE PROSPECTS

During this period, we noted the continuous effort in revitalising the US economy with Quantitative Easing II (QE2) by large injection of funds into the economy, which resulted in the devaluation of US dollars against major foreign currencies such as Euro and Renminbi. This causes a strong upsurge in prices of raw materials and imported products, in particular the luxurious housing sectors. Meanwhile, the Hong Kong Government is considering a range of measures in cooling off speculative activities due to the influx of funds into the property market including additional stamp duties for short-term holding in properties, lowering the mortgage ratio and measures in narrowing the difference between gross floor areas and the saleable areas in residential properties. We are monitoring these closely and assessing how these might affect our business in Hong Kong.

Looking into our operations in China, as mentioned in our Annual Report 2010, in light of the promising housing market in the Mainland, we are establishing our showrooms in China with the first one located by the bank of Huangpu River, about 2 kilometres from The Bund (外灘). This not only serves as a springboard into the largest city in China, it shall radiate further inland. In addition, the rewarding experience we gained in the participation in projects located in Lujiazui, Shanghai has helped to build up our reputation in the Country. We are pleased that we shall commence our first project sales in Shenyang with local developers. Needless to say that additional resources shall be deployed into the Country to widen our presence.

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 2010 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 2010, 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 2010.

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 financial statements for the six months ended 30 September 2010.

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 2010 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, 29 November 2010

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.