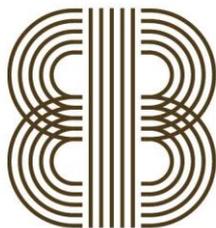


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E. BON HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
怡邦行控股有限公司

(Stock Code: 599)

CONTINUING CONNECTED TRANSACTIONS RENEWAL OF TENANCY AGREEMENT

Reference is made to the Company's Announcement dated 13 March 2012 (the "Announcement") in respect of the Previous Tenancy Agreement expiring on 19 March 2015. The Board announces that the Subsidiary on 31 March 2015 entered into a new tenancy agreement (the "New Tenancy Agreement") with the Landlord.

The Landlord is a connected person of the Company within the meaning of Rule 14A.06(7) of the Listing Rules, therefore the transaction contemplated under the New Tenancy Agreement constitutes a continuing connected transaction for the Company under the Listing Rules.

As the annual cap (as set out herein) is less than 5% of the applicable percentage ratios as defined in the Listing Rules and the annual consideration is less than HK\$10,000,000, the entering into the New Tenancy Agreement is therefore exempt from the independent shareholders' approval requirements but subject to the reporting, announcement and annual review requirements under Listing Rules 14A.35, 14A.68 to 14A.71 of the Listing Rules.

Reference is made to the Company's Announcement dated 13 March 2012 regarding the Previous Tenancy Agreement entered into between the Subsidiary and the Landlord in respect of the Premises as warehouse for a term of three years commencing from 20 March 2012 and expiring on 19 March 2015 with an option to renew for a further term of three years. The Subsidiary on 31 March 2015 entered into the New Tenancy Agreement for a term of three years commencing on 1 April 2015 with the Landlord.

DETAILS OF NEW TENANCY AGREEMENT

The principal terms of the New Tenancy Agreement are as follows:

Date

31 March 2015

Parties

Tenant: E. Bon Building Materials Company Limited; and

Landlord : Negotiator Consultants Limited.

Premises location

Factory Units A-D on 12th-14th Floor (inclusive) of E. Tat Factory Building, No. 4 Heung Yip Road, Wong Chuk Hang, Hong Kong and Car parking spaces Nos. 3 and 28 of the same building.

Lease term

3 years commencing from 1 April 2015 and expiring on 31 March 2018 (both days inclusive).

Monthly rent

HK\$235,000 exclusive of management fee, government rent, government rates and other outgoings.

Deposit

HK\$705,000 representing three months' rental and is payable upon the signing of the New Tenancy Agreement by the Subsidiary.

Annual rent payable

HK\$2,820,000

Aggregate value of consideration for three years

HK\$8,460,000

Rent free period

No rent period

Annual caps

The annual rental payment by the Group under the New Tenancy Agreement for the years ending 31 March 2016, 31 March 2017 and 31 March 2018 respectively is expected to be no more than HK\$2,820,000 per financial year.

Historical figures

For each of the years ended 31 March 2013 and 2014 and for the year ending 31 March 2015, the total sum of rental paid and payable by the Group to the Landlord amounted to HK\$2,460,000 per year.

THE CONTINUING CONNECTED TRANSACTION

The Landlord is a company wholly owned by Bache Hill Group Limited, whose substantial shareholders of Bache Hill Group Limited, Fast Way Management Limited, Happy Voice Limited, New Happy Times Limited and Universal Star Group Limited, are holding totally 76.43% of the issued share capital of Bache Hill Group Limited.

Our executive directors Mr. Tse Sun Po, Tony is the director of New Happy Times Limited, Mr. Tse Sun Fat, Henry is the director/shareholder of Fast Way Management Limited, Mr. Tse Sun Wai, Albert and Mr. Tse Hon Kit, Kevin are the directors/shareholders of Universal Star Group Limited.

It is further noted that Fast Way Management Limited, Happy Voice Limited, New Happy Times Limited and Universal Star Group Limited, are also substantial shareholders of the Company, holding altogether 43.76% of the issued share capital of the Company.

Therefore, the Landlord is considered as a connected person of the Company within the meaning of the Listing Rule 14A.06(7). Accordingly, the transaction contemplated under the New Tenancy Agreement constitutes a continuing connected transaction for the Company.

LISTING RULES IMPLICATION

Pursuant to Rule 14A.53 of the Listing Rules, the annual cap for each of the financial years ending on 31 March 2016, 31 March 2017 and 31 March 2018 is HK\$2,820,000, which is less than 5% of the applicable percentage ratios as defined in the Listing Rules and the annual consideration is less than HK\$10,000,000 which is below the threshold as required by the Rule 14A.76(2) of the Listing Rules, the entering into the New Tenancy Agreement was therefore exempt from the independent shareholders' approval requirements but subject to the reporting, announcement and annual review requirements under Rules 14A.35, 14A.68 to 14A.71 of the Listing Rules for each of the relevant financial year.

It is noted that Mr. Tse Sun Fat, Henry, Mr. Tse Sun Wai, Albert, Mr. Tse Sun Po, Tony and Mr. Tse Hon Kit, Kevin have interests in Negotiator Consultants Limited, having declared their interests in respect thereof, all of them abstained from voting at the board resolution.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

Since March 2000, the Landlord has been leasing the Premises to the Company and its subsidiaries as warehouses. The Previous Tenancy Agreement dated 12 March 2012 at a monthly rent of HK\$205,000, expired on 19 March 2015, details of which were included in an announcement dated 13 March 2012. The Previous Tenancy Agreement provides an option which allows the Subsidiary to renew on the same terms and conditions except the rent and the provision of payment. Accordingly, the Company considers it to be commercially necessary and beneficial to renew the Tenancy Agreement by entering into the New Tenancy Agreement in respect of the Premises so that the Company and its subsidiaries can continue to use the Premises as warehouses.

The rent was agreed after arm's length negotiations by making reference to (i) the market rate for similar premises in the vicinity based on the report from Memfus Wong Surveyors Limited dated 20 March 2015; and (ii) the previous rental payment made by the Group for renting the Premises. Memfus Wong Surveyors Limited, an independent professional valuer appointed by the Company, has provided the Company with the current rental opinion in respect of the Premises based on market rental information of comparable properties.

The directors together with the independent non-executive directors of the Company consider that the terms of New Tenancy Agreement are (a) on normal commercial terms, (b) at 16.1% discount with reference to the market rate, (c) fair and reasonable so far as the Company and its shareholders as a whole are concerned and (d) in the interests of the Company.

The rent will be paid by the Subsidiary from its internal resources.

There is no provision for early termination in the New Tenancy Agreement.

THE RECOMMENDATION OF THE BOARD OF DIRECTORS

Having reviewed the terms and conditions of the New Tenancy Agreement, the Board (the Directors who have interests in the above continuing connected transaction had abstained from voting), in a board meeting held on 31 March 2015, opined that nothing come to their attention that caused them to believe that the continuing connected transactions have not been entered into, in all material respects, in accordance with the policies of the Company and the relevant agreements governing such continuing connected transactions and that the continuing connected transactions are fair and reasonable and in the interests of the Company and of the shareholders of the Company as a whole.

THE RECOMMENDATION OF THE INDEPENDENT NON-EXECUTIVE BOARD OF DIRECTORS

The Independent Non-executive Directors have come to agree with the views expressed by the Board that the continuing connected transactions are entered into in the ordinary and usual course of business of the Group and on normal commercial terms or on terms no more favourable than terms available to independent third parties; and that the continuing connected transactions are fair and reasonable and in the interests of the Company and of the shareholders of the Company as a whole.

INFORMATION ON THE COMPANY AND THE LANDLORD

The E. Bon Group of companies (all the wholly owned subsidiaries of the Company) is particularly engaged in the wholesale and retail of architectural builders hardware, bathroom, kitchen collections and furniture in Hong Kong, Macau and the People's Republic of China.

The Landlord is engaged in investment and property holding activities.

DEFINITIONS

“Board”	The Board of Directors of the Company;
“Company”	E. Bon Holdings Limited;
“Directors”	The directors of the Company;
“Hong Kong”	Hong Kong Special Administrative Region of the People's Republic of China;
“Landlord”	Negotiator Consultants Limited, a wholly-owned subsidiary of Bache Hill Group Limited;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“New Tenancy Agreement”	The tenancy agreement dated 31 March 2015 entered into between the Subsidiary and the Landlord in respect of the Premises;
“Premises”	Factory Units A-D on 12th-14th Floor (inclusive) of E. Tat Factory Building, No. 4 Heung Yip Road, Wong Chuk Hang, Hong Kong and Car parking spaces Nos. 3 and 28 of the same building;
“Previous Tenancy Agreement”	The tenancy agreement dated 12 March 2012 entered into between the Subsidiary and the Landlord in respect of the Premises for the period of 3 years expiring on 19 March 2015;

“Subsidiary”	E. Bon Building Materials Company Limited, an indirect wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

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

Hong Kong, 31 March 2015

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.