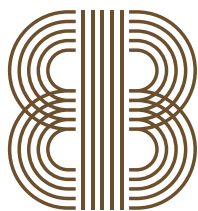


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**E. BON HOLDINGS LIMITED**  
 (Incorporated in the Cayman Islands with limited liability)  
**怡邦行控股有限公司**

**Stock Code: 599**

**ANNOUNCEMENT OF INTERIM RESULTS  
 FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

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 2015 (the “period”).

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
 INCOME**

*FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015*

		<b>Unaudited</b>	
		<b>Six months ended 30 September</b>	
		<b>2015</b>	<b>2014</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>	4	<b>298,491</b>	269,551
Cost of sales		<u>(181,197)</u>	<u>(180,141)</u>
<b>Gross profit</b>		<b>117,294</b>	89,410
Other income		<b>481</b>	710
Distribution costs		<b>(44,280)</b>	(41,873)
Administrative expenses		<u>(43,651)</u>	<u>(30,774)</u>
<b>Operating profit</b>		<b>29,844</b>	17,473
Finance costs, net		<u>(639)</u>	<u>(691)</u>
<b>Profit before income tax</b>	5	<b>29,205</b>	16,782
Income tax expense	6	<u>(5,774)</u>	<u>(3,505)</u>
<b>Profit for the period attributable to equity holders of the Company</b>		<u>23,431</u>	<u>13,277</u>

		<b>Unaudited</b>	
		<b>Six months ended 30 September</b>	
		<b>2015</b>	<b>2014</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Other comprehensive income</b>			
<i>Item that may be subsequently reclassified to profit or loss</i>			
Exchange (loss)/gain on translation of financial statements of foreign operations		(522)	42
<b>Other comprehensive (loss)/income for the period, net of tax</b>		<u>(522)</u>	<u>42</u>
<b>Total comprehensive income for the period, net of tax</b>		<u><u>22,909</u></u>	<u><u>13,319</u></u>
Earnings per share for profit attributable to equity holders of the Company			
— Basic and diluted	8	<u><u>HK7.8 cents</u></u>	<u><u>HK4.4 cents</u></u>
Dividends	7	<u><u>9,009</u></u>	<u><u>6,006</u></u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2015**

	<i>Notes</i>	<b>Unaudited 30 September 2015 HK\$'000</b>	<b>Audited 31 March 2015 HK\$'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		161,477	165,529
Deferred income tax assets		1,536	1,570
Trade, retention and other receivables		12,345	16,361
		<u>175,358</u>	<u>183,460</u>
<b>Current assets</b>			
Inventories		174,439	146,711
Current income tax recoverable		919	899
Trade, retention and other receivables	10	160,696	144,071
Restricted cash		3,790	3,790
Cash and cash equivalents		133,391	121,959
		<u>473,235</u>	<u>417,430</u>
<b>Total assets</b>		<u><u>648,593</u></u>	<u><u>600,890</u></u>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		30,030	30,030
Reserves		357,734	358,849
<b>Total equity</b>		<u>387,764</u>	<u>388,879</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	68,672	35,377
Dividend payable		24,024	–
Receipts in advance		85,215	83,553
Borrowings		40,995	60,550
Current income tax liabilities		23,149	13,724
		<u>242,055</u>	<u>193,204</u>
<b>Non-current liabilities</b>			
Deferred income tax liabilities		18,774	18,807
<b>Total liabilities</b>		<u>260,829</u>	<u>212,011</u>
<b>Total equity and liabilities</b>		<u><u>648,593</u></u>	<u><u>600,890</u></u>
<b>Net current assets</b>		<u>231,180</u>	<u>224,226</u>
<b>Total assets less current liabilities</b>		<u><u>406,538</u></u>	<u><u>407,686</u></u>

Notes:

## 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited interim condensed consolidated financial information (“interim financial information”) has 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”).

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2015, 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 2015, as described in those annual financial statements.

Amendment to HKAS 19 (2011)  
Annual Improvements Project  
Annual Improvements Project

Defined Benefit Plans: Employee Contributions  
Annual Improvements 2010-2012 Cycle  
Annual Improvements 2011-2013 Cycle

The adoption of these amendments and interpretation 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 information 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 this interim financial information, 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 2015.

### 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 information does 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 2015.

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, wholesale, retail and/or installation 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:

	<b>Unaudited</b>	
	<b>Six months ended 30 September</b>	
	<b>2015</b>	2014
	<b>HK\$'000</b>	<b>HK\$'000</b>
Sale of goods	<b>228,780</b>	204,068
Contract revenue	<b>69,711</b>	65,483
	<b>298,491</b>	269,551

#### Primary reporting format — business segments

The Group is primarily engaged in three main business segments:

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

	<b>Unaudited</b>			
	<b>Six months ended 30 September 2015</b>			
	<b>Wholesale</b>	<b>Retail</b>	<b>Other construction and decoration work</b>	<b>Total</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Reportable segment revenue from external customers	<u>243,313</u>	<u>54,901</u>	<u>277</u>	<u>298,491</u>
Reportable segment profit/(loss)	<u>27,336</u>	<u>9,131</u>	<u>(1,931)</u>	<u>34,536</u>

	<b>Unaudited</b>			
	<b>As at 30 September 2015</b>			
	<b>Wholesale</b>	<b>Retail</b>	<b>Other construction and decoration work</b>	<b>Total</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Reportable segment assets	<u>291,462</u>	<u>60,217</u>	<u>5,492</u>	<u>357,171</u>
Reportable segment liabilities	<u>66,208</u>	<u>49,826</u>	<u>1,882</u>	<u>117,916</u>

	<b>Unaudited</b>			
	<b>Six months ended 30 September 2014</b>			
	<b>Wholesale</b>	<b>Retail</b>	<b>Other construction and decoration work</b>	<b>Total</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Reportable segment revenue from external customers	<u>214,632</u>	<u>54,919</u>	<u>–</u>	<u>269,551</u>
Reportable segment profit/(loss)	<u>15,935</u>	<u>5,459</u>	<u>(1,865)</u>	<u>19,529</u>

	<b>Audited</b>			
	<b>As at 31 March 2015</b>			
	<b>Wholesale</b>	<b>Retail</b>	<b>Other construction and decoration work</b>	<b>Total</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Reportable segment assets	<u>262,266</u>	<u>60,131</u>	<u>5,905</u>	<u>328,302</u>
Reportable segment liabilities	<u>74,574</u>	<u>48,640</u>	<u>2,142</u>	<u>125,356</u>

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

	<b>Unaudited</b>	
	<b>Six months ended 30 September</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Total reportable segment profit	34,536	19,529
Unallocated corporate income	502	163
Unallocated corporate expenses	(5,194)	(2,219)
Finance costs, net	(639)	(691)
	<u>29,205</u>	<u>16,782</u>
	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30 September</b>	<b>31 March</b>
	<b>2015</b>	<b>2015</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Reportable segment assets	355,979	328,302
Deferred income tax assets	1,536	1,570
Other corporate assets	291,078	271,018
	<u>648,593</u>	<u>600,890</u>
	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30 September</b>	<b>31 March</b>
	<b>2015</b>	<b>2015</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Reportable segment liabilities	168,787	125,356
Deferred income tax liabilities	18,774	18,807
Borrowings	40,995	60,550
Other corporate liabilities	32,273	7,298
	<u>260,829</u>	<u>212,011</u>

### Geographical information

	<b>Revenue from external customers</b>		<b>Non-current assets</b>	
	<b>Unaudited</b>		<b>Unaudited</b>	<b>Audited</b>
	<b>Six months ended 30 September</b>		<b>As at</b>	<b>As at</b>
	<b>2015</b>	<b>2014</b>	<b>30 September</b>	<b>31 March</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>2015</b>	<b>2015</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong (domicile)	244,362	255,983	170,695	177,848
Mainland China	53,356	13,316	4,128	5,050
Others	773	252	535	562
	<u>298,491</u>	<u>269,551</u>	<u>175,358</u>	<u>183,460</u>

## 5. EXPENSES BY NATURE

	Unaudited	
	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
Cost of inventories	174,253	171,486
Depreciation of property, plant and equipment	6,115	5,898
Operating lease payments in respect of premises	23,986	23,291
Loss on disposal of property, plant and equipment	–	51
Provision for slow-moving inventories, included in cost of inventories	1,192	2,297
Staff costs, including directors' emoluments	36,136	24,883

## 6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 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	
	2015	2014
	HK\$'000	HK\$'000
Current tax		
Hong Kong profits tax	4,736	3,356
PRC Corporate income tax	1,038	149
	5,774	3,505
Deferred tax	–	–
Tax expense for the period	5,774	3,505

## 7. DIVIDEND

The Board has declared the payment of an interim dividend of HK3 cents (2014: HK2 cents).

	Unaudited	
	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
Interim dividend of HK3 cents (2014: HK2 cents) per share	9,009	6,006

At a board meeting held on 26 November 2015, the Board has declared an interim dividend of HK3 cents (30 September 2014: HK2 cents) per ordinary share. Such interim dividends are not reflected as dividend payables in the Group's interim financial information 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\$23,431,000 (six months ended 30 September 2014: HK\$13,277,000) and the 300,300,000 ordinary shares (30 September 2014: 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 as the Company had no potentially dilutive ordinary shares in issue during the period. Diluted earnings per share for the period ended 30 September 2014 is the same as the basic earnings per share 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\$2,154,000 for property, plant and equipment (six months ended 30 September 2014: HK\$2,175,000). No disposal of furniture, fixtures and equipment was made during the period. (six months ended 30 September 2014: disposed of certain leasehold land and buildings of HK\$400,000).

## 10. TRADE RECEIVABLES

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

	0-90 days HK\$'000	91-180 days HK\$'000	181-270 days HK\$'000	271-365 days HK\$'000	Over 365 days HK\$'000	Total HK\$'000
Balance at 30 September 2015	<u>101,511</u>	<u>7,598</u>	<u>2,693</u>	<u>1,162</u>	<u>6,400</u>	<u>119,364</u>
Balance at 31 March 2015	<u>75,516</u>	<u>5,923</u>	<u>2,173</u>	<u>357</u>	<u>6,491</u>	<u>90,460</u>

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.

## 11. TRADE PAYABLES

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

	0-90 days HK\$'000	91-180 days HK\$'000	181-270 days HK\$'000	271-365 days HK\$'000	Over 365 days HK\$'000	Total HK\$'000
Balance at 30 September 2015	<u>55,132</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>193</u>	<u>55,336</u>
Balance at 31 March 2015	<u>29,258</u>	<u>4</u>	<u>179</u>	<u>45</u>	<u>80</u>	<u>29,566</u>

## **INTERIM DIVIDEND**

The Board of Directors has declared an interim dividend of HK3 cents per share for the six months ended 30 September 2015 (six months ended 30 September 2014: HK2 cents) payable on Wednesday, 13 January 2016 to members whose names appear on the principal or branch register of the Company in the Cayman Islands or Hong Kong respectively (collectively the “Register of Members”) as at the close of business of Friday, 18 December 2015.

## **CLOSURE OF REGISTER OF MEMBERS**

The Company’s Register of Members will be closed from Wednesday, 16 December 2015 to Friday, 18 December 2015, 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 Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:30 p.m. on Tuesday, 15 December 2015.

## **REVIEW OF OPERATIONS**

### **BUSINESS REVIEW**

The Group engages in the importing, wholesale, retail and/or installation of architectural builder hardware, bathroom, kitchen collections and furniture in Hong Kong and the PRC.

During the six months ended 30 September 2015, we experienced a growing trend of the market demand for our products in response to the increased supply of new small- and medium-sized flats. This signifies a shifting of public demand to more affordable smaller residential units in Hong Kong residential property market. New smaller housing units were quickly absorbed by the market. This prevailing trend brought forth the higher demand for mid-end home fittings in project sales. However, the retail market performed moderately during this period; reflecting the sales of secondary residential market remains low.

In addition, the recent depreciation in Euro has lowered our cost of purchase as the majority of our imports originated in Europe. This, in turn, enhanced the gross profit margin.

We have experienced impact from inflation. Inflation had inevitably increased our operating expenses. The Group has taken and will continue to take appropriate steps to reduce costs and increase our operation efficiency aiming at reducing its impact.

The recoveries of major economies have been disappointingly weak and slow; the uncertainty of economic performances of these markets has led and will lead to the fear of an unknowable future. This situation is compounded with the moderate economic growth in the PRC and the market anticipation of interest rate hike of the U.S. Federal Reserve. It is that little or nothing is known about the future of Hong Kong economy that would make potential home buyers hold up any further investment in the residential market; this would inevitably slow down both primary and secondary market transactions and therefore the demands for our products.

In the PRC, as a result of our previous hard work, it has yielded promising prospects. We noted that there was a significant increase of turnover in the PRC market during the period.

## REVENUE REVIEW

For the six months ended 30 September 2015, the Group's total turnover was HK\$298.5 million which was increased by 10.7% as compared with the previous first half yearly period.

	Revenue from external customers			As a percentage of sales (%)	
	Unaudited 30 September			30 September	
	2015	2014	Change	2015	2014
	HK\$'000	HK\$'000	(%)		
Hong Kong (domicile)	244,362	255,983	(4.5)	81.9	95.0
Mainland China	53,356	13,316	300.7	17.9	4.9
Others	773	252	206.7	0.2	0.1
Total	<u>298,491</u>	<u>269,551</u>	<u>10.7</u>	<u>100.0</u>	<u>100.0</u>

	Reportable segment revenue from external customers			As a percentage of sales (%)	
	Unaudited 30 September			30 September	
	2015	2014	Change	2015	2014
	HK\$'000	HK\$'000	(%)		
Wholesale	<u>243,313</u>	<u>214,632</u>	<u>13.4</u>	<u>81.5</u>	<u>79.6</u>

Our project supplies grew along with the increase of residential unit completion rates during this six-month period. The popularity and increase of the supply of a number of smaller flats in new projects had expanded the volume of fittings supplied. Developers have tried to satisfy and meet the expectation of home buyers to furnish with their units with luxuriously fitted appliances and bathroom and kitchen wares. We have been able to meet with these demands with quality products. The Group's wholesale segment was increased by 13.4% to HK\$243.3 million. During the period, we supplied to property development projects such as The Beaumont II, The Royal Garden, The Hemispheres and Arezzo.

	Reportable segment revenue from external customers			As a percentage of sales (%)	
	Unaudited 30 September			30 September	
	2015	2014	Change	2015	2014
	HK\$'000	HK\$'000	(%)		
Retail	<u>54,901</u>	<u>54,919</u>	<u>(0.1)</u>	<u>18.4</u>	<u>20.4</u>

The retail market remained stable as compared to the corresponding period in 2014. Due to the slow demand for residential units because of the high prices and an influx of supply in the primary housing market, transactions in the secondary market decreased, which also reduced renovation needs and hence retail sales. We have been able to increase the average sales amount per transaction to cope with this trend.

## PROFITABILITY REVIEW

	Reportable segment profit			As a percentage of sales (%)	
	Unaudited		Change	30 September	
	2015	2014		2015	2014
	HK\$'000	HK\$'000	(%)		
Wholesale	27,336	15,935	71.5	9.2	5.9
Retail	9,131	5,459	67.3	3.1	2.0
Other construction and decoration work	(1,931)	(1,865)	(3.5)	(0.6)	(0.7)
Total	<u>34,536</u>	<u>19,529</u>	<b>76.8</b>	<b>11.6</b>	<b>7.2</b>

The Group's operating profit was HK\$29.8 million (six months ended 30 September 2014: HK\$17.5 million) and recorded a profit after tax of HK\$23.4 million (six months ended 30 September 2014: HK\$13.3 million), which was respectively increased by 70.3% and 75.9% as compared to the previous period.

The change of product mix proportion has improved the gross profit (GP) margin. The GP margin was 39.3% (six months ended 30 September 2014: 33.2%). To cater for the rising demand for quality living, we have promoted high-end products to the market and received a satisfactory response. Their higher GP margin for the high-end products increased our retail performance. The recent Euro depreciation also contributed the GP by lowering the general cost of purchase.

Having efficiency measures in place, our administrative (especially labour cost) and operation costs increased due to inflation and increase in corresponding sales activities. The total of distribution costs and administrative expenses amounted to HK\$87.9 million, an increase by 21.0% as compared to the previous period. In addition, the management has made an inventory provision amounted to HK\$1.2 million. The net profit margin was 7.8% (six months ended 30 September 2014: 4.9%).

## BALANCE SHEET AND CASH FLOW REVIEW

The Group continues to expand its business in Hong Kong and the PRC through the adoption of a prudent financial management policy. The current ratio and quick ratio are 2.0 (31 March 2015: 2.2) and 1.2 (31 March 2015: 1.4) respectively, while cash and cash equivalents approximated HK\$133.4 million (31 March 2015: HK\$122.0 million) as at 30 September 2015.

As a result of expansion in project sales, the trade, retention and other receivables increased by 7.9% to HK\$173.0 million accordingly.

The Group has the net cash position as at 30 September 2015 and 31 March 2015. The Group's gearing ratio (the ratio is calculated as net debt divided by total capital) is not applicable at 30 September 2015 and 31 March 2015. The interest-bearing borrowings of the Group, including bills payable and trust receipt loans, reduced to HK\$41.0 million (31 March 2015: HK\$60.6 million) as at 30 September 2015.

Borrowings and cash and cash equivalents are primarily denominated in Hong Kong Dollars ("HK\$") and Euro. The management will continue to monitor the foreign exchange risk exposure of the Group.

We seek to effectively manage our cash flow and capital commitments to ensure that we have sufficient funds to meet with our existing and future cash requirements. We have not had experienced and do not expect to have any difficulties in meeting our obligations as and when they become due. Assets under charge are the mortgaged property acquired and certain bank deposits. As at 30 September 2015, performance bonds of approximately HK\$50,766,000 (31 March 2015: HK\$46,235,000) have been issued by the Group to customers as security of contracts. Of which, restricted cash of HK\$3,790,000 (31 March 2015: HK\$3,790,000) was held as security for performance bond of the same amount. Save for the rental commitment of our retail outlets and warehouses and performance bonds for projects, the Group has no other material commitment as at 30 September 2015. As at 30 September 2015, the Group did not have any contingent liabilities.

## **FUTURE PROSPECTS**

While the performance in the first half of the financial year 2015-2016 is encouraging, because of (1) the growing supply of small- and medium-sized flats, which increased our supply volume; and (2) the depreciation of Euro currency against Hong Kong dollars which reduced product cost. Because of the uncertainty in the Hong Kong economy, it is difficult to predict that we would experience the same growth rate in future because of the uncertainty of interest rate hike and of the economic performance of major global economies especially PRC and Europe, which will create uncertainty in Hong Kong economy as its economic performance is very much dependent on the economic performance of major markets, this, in turn will affect the local property market and our market demand.

Inflation is expected to continue and we foresee a rise in staff cost and operating expenses. We shall continue to reduce expenses and promote efficient use of our existing resources.

Looking ahead, we shall continue to capitalise our strength of quality after-sale service to collaborate with well-established property developers, architects and designers. The trends of the more demand for small flats and delicate interior fittings are expected due to high premium land prices. We shall make use of our product mix and sales network to perform cross-selling and seize opportunities when they arise.

## **SUSTAINABLE DEVELOPMENT**

The Group's objective is becoming one of the leading quality suppliers of architectural builder 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; 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.

### **Human Resources**

As at 30 September 2015, our workforce was recorded at 168 employees (31 March 2015: 181).

The Group believes its success, long-term growth and development depend upon the quality, performance and commitment of its staff members. Competitive packages are offered to attract, retain and motivate competent individuals. In addition, the Group provides employee benefits such as subsidised medical scheme and travel allowance. The Group supports the staff's family life by providing children's scholarship.

### **Environment**

We endeavour to minimising pollution and protecting the environment by conserving natural resources, reducing the use of energy and waste. We first implement the business activities for which we bear responsibility and addressing the environmental issues by integrating environment considerations in our business such as procurement of operation consumables and adoption of eco-friendly habits and resource recycling. We use low energy light bulbs in our retail shops, warehouses and offices. We create the environmental awareness amongst our staff members and whenever possible and practical to do so, we encourage our staff to use public transport; for those that are not accessible by public transport means, to car share when travelling on business. As a supplier of home fittings, we provide a range of green products such as water saving taps and eco-sensor water-saving taps to the market. We seek to assist the general public to take the concept of 'environmental protection' in practice which will eventually contribute to future generations. Our aim is to contribute to the sustainable future and be in harmony with the global environment.

## **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 2015, 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 2015.

## **AUDIT COMMITTEE**

The Audit Committee comprises three independent non-executive directors of the Company, namely, Mr. LEUNG Kwong Kin, *J.P.* (Chairman), Mr. WONG Wah, Dominic and Mr. WAN Sze Chung. 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 condensed consolidated interim financial information for the six months ended 30 September 2015.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company’s shares during the period.

## **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 ([www.hkexnews.hk](http://www.hkexnews.hk)). The Company’s Interim Report 2015 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, 26 November 2015

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