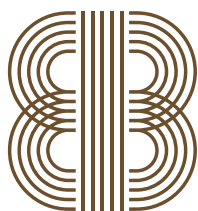


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**E. BON HOLDINGS LIMITED**

(Incorporated in the Cayman Islands with limited liability)

怡邦行控股有限公司

(Stock Code: 599)

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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 2016 as follows:

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*FOR THE YEAR ENDED 31 MARCH 2016*

	<i>Notes</i>	<b>2016</b> <i>HK\$'000</i>	<b>2015</b> <i>HK\$'000</i>
<b>Revenue</b>	2	<b>631,932</b>	578,810
Cost of sales		<u>(363,975)</u>	<u>(349,798)</u>
<b>Gross profit</b>		<b>267,957</b>	229,012
Other income	2	<b>3,900</b>	6,400
Distribution costs		<u>(93,696)</u>	<u>(87,347)</u>
Administrative expenses		<u>(88,481)</u>	<u>(66,631)</u>
<b>Operating profit</b>		<b>89,680</b>	81,434
Finance income		<b>427</b>	91
Finance costs		<u>(872)</u>	<u>(1,270)</u>
Finance costs, net		<u>(445)</u>	<u>(1,179)</u>
<b>Profit before income tax</b>	3	<b>89,235</b>	80,255
Income tax expense	4	<u>(10,858)</u>	<u>(14,345)</u>
<b>Profit for the year attributable to equity holders of the Company</b>		<u><b>78,377</b></u>	<u>65,910</u>

	<i>Notes</i>	<b>2016</b> <b>HK\$'000</b>	2015 HK\$'000
<b>Other comprehensive income</b>			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Exchange loss on translation of financial statements of foreign operations		(737)	(54)
Release of exchange reserve of a deregistered subsidiary		(744)	–
<i>Items that will not be reclassified subsequently to profit or loss</i>			
(Loss)/surplus on revaluation of properties held for own use		(9,470)	13,641
Tax effect relating to revaluation of properties held for own use		<u>1,563</u>	<u>(2,251)</u>
<b>Other comprehensive income for the year, net of tax</b>		<u>(9,388)</u>	<u>11,336</u>
<b>Total comprehensive income for the year attributable to equity holders of the Company</b>		<u><b>68,989</b></u>	<u>77,246</u>
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in HK cents per share)			
— Basic and diluted	6	<u><b>13.05 cents<sup>1</sup></b></u>	<u>10.97 cents<sup>1</sup></u>
<sup>1</sup> Adjusted for the effect of the bonus shares issue on 8 June 2016			
Dividends for the year	5	<u><b>51,051</b></u>	<u>30,030</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 31 MARCH 2016*

	<i>Notes</i>	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>148,584</b>	165,529
Investment properties		<b>28,400</b>	–
Deferred income tax assets		<b>3,158</b>	1,570
Trade, retention and other receivables	7	<b>19,083</b>	16,361
		<u><b>199,225</b></u>	<u>183,460</u>
<b>Current assets</b>			
Inventories		<b>130,628</b>	146,711
Current income tax recoverable		<b>3,773</b>	899
Trade, retention and other receivables	7	<b>148,315</b>	144,071
Derivative financial assets	8	<b>1,310</b>	–
Restricted cash		<b>2,966</b>	3,790
Cash and cash equivalents		<b>127,781</b>	121,959
		<u><b>414,773</b></u>	<u>417,430</u>
<b>Total assets</b>		<u><b>613,998</b></u>	<u>600,890</u>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		<b>30,030</b>	30,030
Reserves		<b>394,805</b>	358,849
<b>Total equity</b>		<u><b>424,835</b></u>	<u>388,879</u>

	<i>Notes</i>	<b>2016</b> <b>HK\$'000</b>	2015 <i>HK\$'000</i>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	<b>69,264</b>	35,377
Receipts in advance	9	<b>39,614</b>	83,553
Derivative financial liabilities	8	<b>377</b>	–
Borrowings		<b>58,851</b>	60,550
Current income tax liabilities		<b>4,515</b>	13,724
		<u><b>172,621</b></u>	<u>193,204</u>
<b>Non-current liabilities</b>			
Deferred income tax liabilities		<u><b>16,542</b></u>	<u>18,807</u>
<b>Total liabilities</b>		<u><b>189,163</b></u>	<u>212,011</u>
<b>Total equity and liabilities</b>		<u><b>613,998</b></u>	<u>600,890</u>

Notes:

## 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 (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of leasehold land and buildings held for own use, investment properties and derivative financial instruments, which are carried at fair values.

### Changes in accounting policy and disclosure

There are no new and amended standards and interpretations on existing HKFRS that are effective for the Group’s accounting year commencing 1 April 2015 that could be expected to have a material impact on the Group.

## 2. REVENUE, OTHER INCOME AND SEGMENT INFORMATION

	2016 <i>HK\$’000</i>	2015 <i>HK\$’000</i>
<b>Revenue</b>		
Sale of goods	492,905	444,315
Contract revenue	139,027	134,495
	<u>631,932</u>	<u>578,810</u>
<b>Other income</b>		
Net foreign exchange gain		
— Forward contracts	1,251	–
— Other exchange gain	1,145	6,287
Gain on deregistration of subsidiaries ( <i>Note</i> )	1,214	–
Rental income	166	–
Others	124	113
	<u>3,900</u>	<u>6,400</u>

*Note:* The amount primarily represents reclassification of exchange gain from equity to the profit or loss arising from deregistration of a subsidiary.

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 Executive Directors evaluate regularly the performance of the Group's wholesale, retail, and construction and decoration businesses. The wholesale segment derives its revenue primarily from the import and wholesale of architectural builders' hardware, bathroom collections, furniture, and kitchen collections to contractors, property developers and dealers, along with the provision of installation services of kitchen collections and furniture. The retail segment derives its revenue primarily from the import and sale of architectural builders' hardware, bathroom collections, furniture and kitchen collections through retail outlets, along with the provision of installation services of kitchen collections. The construction and decoration segment derives its revenue from construction and decoration contracts, primarily carried out in the PRC.

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

Segment profit excludes finance costs, income tax and corporate income and expenses which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

Segment assets include all assets but deferred income tax assets. In addition, such corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarters.

Segment liabilities exclude deferred income tax liabilities. In addition, such corporate liabilities which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

	<b>2016</b>			
	<b>Wholesale</b>	<b>Retail</b>	<b>Construction and decoration</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Reportable segment revenue from external customers</b>	<b>494,339</b>	<b>136,732</b>	<b>861</b>	<b>631,932</b>
<b>Reportable segment profit</b>	<b>58,257</b>	<b>42,787</b>	<b>324</b>	<b>101,368</b>
Depreciation of property, plant and equipment	(5,618)	(1,220)	(89)	(6,927)
Provision for inventory obsolescence	(8,931)	(1,540)	–	(10,471)
Provision for impaired receivables	(5,272)	–	(297)	(5,569)
<b>Reportable segment assets</b>	<b>255,161</b>	<b>53,671</b>	<b>3,581</b>	<b>312,413</b>
Additions to non-current segment assets during the year	430	4,004	–	4,434
<b>Reportable segment liabilities</b>	<b>76,791</b>	<b>33,477</b>	<b>1,685</b>	<b>111,953</b>

	2015			
	Wholesale <i>HK\$'000</i>	Retail <i>HK\$'000</i>	Construction and decoration <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue from external customers	443,753	129,228	5,829	578,810
Reportable segment profit	50,323	41,296	(373)	91,246
Depreciation of property, plant and equipment	(4,090)	(1,661)	(1,799)	(7,550)
Reversal of provision for inventory obsolescence	5,069	4,785	–	9,854
Write-back of provision for impaired receivables	226	–	–	226
Reportable segment assets	262,266	60,131	5,905	328,302
Additions to non-current segment assets during the year	453	2,894	292	3,639
Reportable segment liabilities	74,574	48,640	2,142	125,356

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>Group revenues</b>	<b>631,932</b>	578,810
Reportable segment profit	101,368	91,246
Unallocated corporate expenses	(11,688)	(9,812)
Finance costs, net	(445)	(1,179)
<b>Profit before income tax</b>	<b>89,235</b>	80,255
Reportable segment assets	312,413	328,302
Deferred income tax assets	3,158	1,570
Other corporate assets	298,427	271,018
<b>Group assets</b>	<b>613,998</b>	600,890
Reportable segment liabilities	111,953	125,356
Deferred income tax liabilities	16,542	18,807
Borrowings	58,851	60,550
Other corporate liabilities	1,817	7,298
<b>Group liabilities</b>	<b>189,163</b>	212,011

## Geographical information

	Revenue from external customers		Non-current assets	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Hong Kong (domicile)	532,342	461,029	190,632	177,848
PRC	89,872	25,519	8,275	5,051
Macau	8,821	88,882	–	–
Others	897	3,380	318	561
Total	<u>631,932</u>	<u>578,810</u>	<u>199,225</u>	<u>183,460</u>

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

During the year ended 31 March 2016, HK\$68,703,000 and HK\$67,789,000 which represented approximately 11% and 11% of the Group's revenue were derived from each of the two largest external customers, respectively, in the wholesale segment. During the year ended 31 March 2015, HK\$74,263,000 or approximately 13% of the Group's revenue was derived from a single external customer in the wholesale segment.

### 3. PROFIT BEFORE INCOME TAX

Profit before income tax is stated after depreciation of property, plant and equipment of HK\$11,869,000 (2015: HK\$12,123,000) and employee benefit expenses of HK\$76,482,000 (2015: HK\$55,655,000).

### 4. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the year. PRC corporate income tax and Singapore income tax are provided on the basis of the profits of the subsidiaries established and operating in the PRC and Singapore for statutory financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes. The applicable corporate income tax rate is 25% (2015: 25%) and 17% (2015: 17%) for subsidiaries in the PRC and Singapore, respectively.

	2016 HK\$'000	2015 HK\$'000
<b>Current tax</b>		
Hong Kong profits tax	11,920	10,631
Overseas income tax	4,340	1,768
Over provision in prior year	<u>(3,079)</u>	<u>(100)</u>
Total current tax	13,181	12,299
<b>Deferred taxation</b>	<u>(2,323)</u>	<u>2,046</u>
<b>Income tax expense</b>	<u>10,858</u>	<u>14,345</u>



## 5. DIVIDENDS

### (a) Dividends declared and paid during the year

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Final dividend in respect of 2015 of HK4 cents, as restated <sup>1</sup> (2015: in respect of 2014 of HK1 cent, as restated <sup>1</sup> ) per share	24,024	6,006
Interim dividend in respect of 2016 of HK1.5 cents, as restated <sup>1</sup> (2015: in respect of 2015 of HK1 cent, as restated <sup>1</sup> ) per share	9,009	6,006
	<u>33,033</u>	<u>12,012</u>

### (b) Dividends for the year

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Interim dividend of HK1.5 cents, as restated <sup>1</sup> (2015: HK1 cent, as restated <sup>1</sup> ) per share	9,009	6,006
Proposed final dividend of HK2 cents <sup>1</sup> (2015: HK4 cents, as restated <sup>1</sup> ) per share ( <i>Note</i> )	12,012	24,024
Proposed special dividend of HK5 cents <sup>1</sup> (2015: nil) per share ( <i>Note</i> )	30,030	–
	<u>51,051</u>	<u>30,030</u>

*Note:* Final dividend and special dividend of HK2 cents (2015: HK4 cents, as restated<sup>1</sup>) and HK5 cents (2015: nil) per share amounting to HK\$12,012,000 (2015: HK\$24,024,000) and HK\$30,030,000 (2015: nil), respectively, have been proposed by the directors after the reporting date. The proposed dividends, subject to the shareholders' approval at the forthcoming annual general meeting, are not reflected as dividend payables as at 31 March 2016.

<sup>1</sup> Dividend per share data has been adjusted for the effect of the bonus shares issue on 8 June 2016 (*Note* 10).

## 6. EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the number of ordinary shares in issue during the year and the bonus shares issue completed after the reporting date (*Note* 10).

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Profit attributable to equity owners of the Company	78,377	65,910
Number of ordinary shares in issue (thousands) ( <i>Note</i> )	<u>600,600</u>	<u>600,600</u>

**(b) Diluted**

Diluted earnings per share for the year ended 31 March 2016 is the same as the basic earnings per share as there were no potentially dilutive ordinary shares issued (2015: same).

*Note:* The weighted average number of ordinary shares are adjusted to reflect the effect of the bonus shares issue by the Company on the basis of one bonus share for every share then existing. The bonus shares issue was completed on 8 June 2016.

**7. TRADE, RETENTION AND OTHER RECEIVABLES**

Details of the trade, retention and other receivables as at 31 March 2016 are listed below:

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade receivables	<b>128,589</b>	90,590
Less: provision for impairment of trade receivables	<b>(5,118)</b>	(130)
	<b>123,471</b>	90,460
Retention receivables	<b>11,248</b>	12,268
Less: provision for impairment of retention receivables	<b>(570)</b>	–
	<b>134,149</b>	102,728
Amounts due from customers for contract work	<b>10,122</b>	33,696
Other receivables, deposits and prepayments	<b>23,127</b>	24,008
	<b>167,398</b>	160,432
Less: non-current portion		
Retention receivables	<b>(8,975)</b>	(9,687)
Deposits and prepayments	<b>(10,108)</b>	(6,674)
<b>Current portion</b>	<b>148,315</b>	144,071

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 due date is as follows:

	<b>Group</b> <b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current	<b>59,201</b>	37,599
1–90 days past due	<b>45,060</b>	37,917
91–365 days past due	<b>16,558</b>	8,453
Over 365 days past due	<b>7,770</b>	6,621
	<b>128,589</b>	90,590

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.

The ageing analysis of trade receivables that are not impaired is as follows:

	<b>Group</b>	
	<b>2016</b>	2015
	<b>HK\$'000</b>	<b>HK\$'000</b>
Not yet past due	<b>59,201</b>	37,599
1–90 days past due	<b>45,060</b>	37,917
91–365 days past due	<b>16,558</b>	8,453
Over 365 days past due	<b>2,652</b>	6,491
	<u><b>123,471</b></u>	<u>90,460</u>

Receivables that were past due but not impaired relate to a wide range of customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are expected to be fully recoverable. The Group does not hold any collateral over these balances.

The movement in the provision for impairment of trade and retention receivables is as follows:

	<b>2016</b>	2015
	<b>HK\$'000</b>	<b>HK\$'000</b>
Balance at beginning of the year	<b>130</b>	515
Provision for impaired receivables	<b>5,600</b>	139
Unused amounts reversed	<b>(31)</b>	(365)
Receivables written off during the year as uncollectible	<b>–</b>	(159)
Exchange difference	<b>(11)</b>	–
	<u><b>5,688</b></u>	<u>130</u>

At each reporting date, the Group reviews receivables for evidence of impairment on both an individual and collective basis. As at 31 March 2016, the Group determined trade and retention receivables of HK\$5,688,000 (2015: HK\$130,000) as individually impaired. The impaired trade and retention receivables are due from customers that were in default or delinquency of payments.

As at 31 March 2016, the carrying values of trade and other receivables approximate their fair values (2015: same).

## 8. DERIVATIVE FINANCIAL INSTRUMENTS

	2016		2015	
	Assets	Liabilities	Assets	Liabilities
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Not qualified for hedge accounting				
Foreign exchange forward contracts, at market value ( <i>Note</i> )	<u>1,310</u>	<u>(377)</u>	<u>–</u>	<u>–</u>

*Note:* The notional principal amounts of the outstanding foreign exchange forward contracts as at 31 March 2016 and 2015 are as follows:

	2016	2015
	HK\$'000	HK\$'000
Sell Euro for HK\$	52,395	–
Sell HK\$ for Euro	<u>51,462</u>	<u>–</u>

## 9. TRADE AND OTHER PAYABLES AND RECEIPTS IN ADVANCE

	2016	2015
	HK\$'000	HK\$'000
Trade payables	46,818	29,566
Accrued charges and other payables	14,619	5,811
Amounts due to customers for contract work	<u>7,827</u>	<u>–</u>
	<u>69,264</u>	<u>35,377</u>
Receipts in advance	<u>39,614</u>	<u>83,553</u>

At 31 March 2016, the ageing analysis of the trade payables was as follows:

	2016	2015
	HK\$'000	HK\$'000
0–90 days	45,825	29,258
91–365 days	54	228
Over 365 days	<u>939</u>	<u>80</u>
	<u>46,818</u>	<u>29,566</u>

As at 31 March 2016, the carrying values of trade and other payables approximate their fair values (2015: same).

## 10. SUBSEQUENT EVENT

On 27 May 2016, shareholders approved a bonus shares issue on the basis of one bonus share for every share then existing. The issue of the bonus shares was completed on 8 June 2016 and the number of shares increased to 600,600,000 from 300,300,000.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group mainly engages in import and sale of architectural builders' hardware, bathroom collections, furniture, and kitchen collections to contractors, property developers and dealers and through retail outlets, along with the provision of installation services of kitchen collections and furniture.

During the year, the number of residential units completed or under construction in Hong Kong remained at high level. The demand of luxurious home fittings and clubhouses continued to increase. In addition, the exchange rate of Euro against Hong Kong Dollars was still at relatively low level that reduced purchase costs accordingly.

### REVENUE REVIEW

For the year ended 31 March 2016, the Group's total turnover was HK\$631.9 million, an increase by 9.2% as compared with the previous year.

#### Revenue by business segment

	Revenue from external customers			As a percentage of sales	
	31 March		Change (%)	(%)	
	2016 HK\$'000	2015 HK\$'000		2016	2015
Wholesale	494,339	443,753	11.4	78.2	76.7
Retail	136,732	129,228	5.8	21.6	22.3
Other construction and decoration works	861	5,829	(85.2)	0.2	1.0
	<u>631,932</u>	<u>578,810</u>	<u>9.2</u>	<u>100.0</u>	<u>100.0</u>

## Profitability by business segment

	Reportable segment profit			As a percentage of sales (%)	
	31 March			31 March	
	2016	2015	Change	2016	2015
	HK\$'000	HK\$'000	(%)		
Wholesale	58,257	50,323	15.8	11.8	11.3
Retail	42,787	41,296	3.6	31.3	32.0
Other construction and decoration works	324	(373)	186.9	37.6	(6.4)
Total	<u>101,368</u>	<u>91,246</u>	<u>11.1</u>	<u>16.0</u>	<u>15.8</u>

We are pleased to report that the revenue from the wholesale segment increased by 11.4% to HK\$494.3 million as compared to the previous year (2015: HK\$443.8 million). It has increased along with the increase of property development projects in Hong Kong. The change in product mix, in particular the rise in the proportion of products with higher margin (such as kitchen cabinets), contributed to the improvement on the overall gross profit margin. The weak Euro against Hong Kong Dollars kept the purchase cost at low level. During the year, we supplied products for projects like One Homantin, The Zumurud, Ocean Wings and The Bloomsway.

Revenue from the retail segment increased by 5.8% to HK\$136.7 million as compared to the previous year (2015: HK\$129.2 million). Despite the drop of property transaction volume in the secondary market, the trend of branded interior fittings remained strong and that has contributed to an increase in the gross profit margin of the Group for the year ended 31 March 2016.

The overall gross profit amounted to HK\$268.0 million (2015: HK\$229.0 million), representing a significant rise of 17.0% over the previous year. The increase in turnover was mainly driven by the acceleration of housing completion of small- and medium-sized flats and the improvement of product mix as mentioned above. As the majority of our imports are from Europe, the relatively weak Euro against Hong Kong Dollars (ranging from about 8.20 to 8.90 Hong Kong Dollars per Euro) allowed us to settle payment at favourable exchange rates and reduced the cost of sales accordingly.

The Group's operating profit was HK\$89.7 million (2015: HK\$81.4 million), representing a significant increase of 10.2% from the prior year. Profit after tax approximated to HK\$78.4 million (2015: HK\$65.9 million), which significantly increased by 19.0% as compared with the prior year.

The increase in net profit was caused by the increase in gross profit and partially offset by the rise of operating expenses. The amount of administrative expenses and distribution expenses increased significantly by 18.3% to HK\$182.2 million (2015: HK\$154.0 million) due to salary increment and discretionary bonus during the year. Apart from that, we continued to control costs and maintain effective use of resources. Rental expenses became more stable as a result of the cooling-down retail property market and our efforts in consolidating sales network.

## **FINANCIAL REVIEW**

### **Liquidity and Financial Resources**

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 2.4 (2015: 2.2) and 1.6 (2015: 1.4), respectively, while cash and cash equivalents approximated HK\$127.8 million as at 31 March 2016 (2015: HK\$122.0 million). Such increase in cash and cash equivalents was caused by the cash generated from current year operation less consideration paid for the office premises acquired during the year. Receipts in advance from customers was partially realised as turnover during the year, hence decreasing to HK\$39.6 million as at 31 March 2016 (2015: HK\$83.6 million).

The trade and other payables increased to HK\$69.3 million (2015: HK\$35.4 million) mainly due to a rise of goods-in-transit and bulk project orders placed towards the end of the financial year. The trade, retention and other receivables increased slightly to HK\$148.3 million (2015: HK\$144.1 million).

As at 31 March 2016, the Group has a net cash position. Gearing ratio is not applicable (2015: same). The interest-bearing borrowings of the Group, including bills payable and trust receipt loans, reduced to HK\$58.9 million (2015: HK\$60.6 million) as at 31 March 2016.

### **Treasury Policy**

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. During the year, we entered into certain simple forward contracts to buy Euro for settlement of purchases.

### **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 are the mortgaged property acquired and certain bank deposits. As at 31 March 2016, performance bonds of approximately HK\$16,465,000 (2015: HK\$46,235,000) have been issued by the Group to customers as security of contracts. In respect of which, restricted cash of HK\$2,966,000 (2015: HK\$3,790,000) was held as security for the performance bonds. Save for the rental commitment of our retail outlets and warehouses and performance bonds for projects, the Group has no other material financial commitments and contingent liabilities as at 31 March 2016.

## **FUTURE PROSPECTS**

The global political and economic environment is expected to be fast-changing and highly uncertain. The potential interest rate increment and presidential election in the U.S., challenges to the unity of the E.U. and L-shaped economic growth in the PRC would affect the business environment in Hong Kong; and that would also affect the local property market and demand for home fittings.

In Hong Kong, according to the Government's latest forecast for Hong Kong economy, a slower growth rate is expected as compared to previous year. In addition to the external environment, the home completion rates (primary housing market) may become moderate after the acceleration of construction pace for the past few years. The secondary market may vary upon any adjustments to the Government's property cooling measures and keen competition with the primary market.

Inflation and shop rental is likely to remain stable. We shall continue to improve operating efficiency and shop utilisation.

We have completed certain projects related to kitchen cabinets in Hong Kong, Macau and the PRC which boosted the turnover in past years. Our performance and growth of kitchen cabinets in coming years will be affected by factors such as market acceptance, sales strategies and economy in general. We shall capitalise our experience and network with property developers to participate projects and supply high quality products.

While enhancing our strength, we shall remain vigilant to external factors in order to stay competitive. The property market is affected by both global and Hong Kong economic performance. Moreover, the Hong Kong government's fiscal and financial policies may create an adverse impact on Hong Kong real estate market. We will continue to monitor the market trends and refine our strategies accordingly.

## **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 31 March 2016, our workforce was recorded at 169 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 address the environmental issue 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 share cars 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.

## **CORPORATE GOVERNANCE**

E. Bon Holdings Limited is committed to achieving high standards of corporate governance to properly protect and promote the interests of its shareholders.

Full details of the Corporate Governance Report will be set out in the 2016 Annual Report of the Company.

## **COMPLIANCE OF CODE ON CORPORATE GOVERNANCE PRACTICES**

In the opinion of the directors, the Company has complied with the code provisions listed in the Corporate Governance Code (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 year ended 31 March 2016, 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 arising from corporate activities.

## **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 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 confirmed they have complied with the required standards set out in the Model Code throughout the year ended 31 March 2016.

## **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 consolidated financial statements for the year ended 31 March 2016.

## **DIVIDEND**

The Board declared and paid an interim dividend of HK1.5 cents per share<sup>1</sup> for the six months ended 30 September 2015 totalling HK\$9,009,000 (six months ended 30 September 2014: interim dividend of HK1 cent<sup>1</sup>).

The Board has resolved to recommend, at the forthcoming Annual General Meeting (the “AGM”) to be held on 6 September 2016, a final and special dividend payment of HK2 cents and HK5 cents (as compared to 2015: HK4 cents<sup>1</sup> and Nil) per share for the year ended 31 March 2016 totalling HK\$12,012,000 (the “Final Dividend”) and HK\$30,030,000 (the “Special Dividend”), respectively.

If it is duly approved by the members at the AGM, the Final Dividend and Special Dividend will be distributed to members, whose names appear on the principal or branch register of members of the Company in the Cayman Islands or Hong Kong respectively (collectively the “Register of Members”) as at the close of business on 15 September 2016. The payment will be made on 13 October 2016.

## **SCOPE OF WORK OF PRICEWATERHOUSECOOPERS**

The figures in respect of the preliminary announcement of the Group’s results for the year ended 31 March 2016 have been agreed by the Group’s auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

<sup>1</sup> Adjusted for the effect of the bonus shares issue on 8 June 2016

## **EVENTS AFTER THE REPORTING PERIOD**

Pursuant to an ordinary resolution passed in the extraordinary general meeting held on 27 May 2016, a bonus issue on the basis of one bonus share for every then existing share held by the Shareholders (the “Bonus Issue”) was completed and under which, 300,300,000 ordinary shares were allotted and issued on 8 June 2016. As at the date of this announcement, the total number of ordinary shares is 600,600,000 (31 March 2016: 300,300,000 ordinary shares). Details of the Bonus Issue is available on the websites of the Company and The Stock Exchange of Hong Kong Limited.

## **CLOSURE OF REGISTER OF MEMBERS**

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

- (a) 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 5 September 2016 to 6 September 2016, 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 transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar 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 2 September 2016.
- (b) For the purpose of determining shareholders who qualify for the Final Dividend and Special Dividend, the register of members of the Company will be closed from 14 September 2016 to 15 September 2016, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the Final Dividend and Special Dividend, all transfers accompanied by the relevant share certificates must be lodged with Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:30 p.m. on 13 September 2016.

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

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

## **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 2016 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, 22 June 2016

*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.*