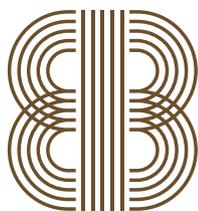


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E. BON HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
怡邦行控股有限公司

Stock Code: 599

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017**

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 2017 (the “period”).

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

		Unaudited	
		Six months ended 30 September	
		2017	2016
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	249,605	241,815
Cost of sales		(141,856)	(127,278)
Gross profit		107,749	114,537
Other income	4	450	675
Other (losses)/gains, net	4	(2,077)	1,214
Distribution costs		(47,210)	(43,041)
Administrative expenses		(30,975)	(38,928)
Operating profit		27,937	34,457
Finance costs, net		(725)	(744)
Profit before income tax	5	27,212	33,713
Income tax expense	6	(5,567)	(6,494)
Profit for the period attributable to equity holders of the Company		21,645	27,219

		Unaudited	
		Six months ended 30 September	
		2017	2016
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
Other comprehensive income/(loss)			
<i>Item that may be subsequently reclassified to profit or loss</i>			
	Exchange gain/(loss) on translation of financial statements of foreign operations	<u>1,162</u>	<u>(862)</u>
Other comprehensive income/(loss) for the period, net of tax		<u>1,162</u>	<u>(862)</u>
Total comprehensive income for the period, net of tax		<u>22,807</u>	<u>26,357</u>
Earnings per share for profit attributable to equity holders of the Company			
	— Basic and diluted	<u>8</u> <u>HK3.6 cents</u>	<u>HK4.5 cents</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

	Unaudited	Audited
	30 September	31 March
	2017	2017
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
ASSETS		
Non-current assets		
Property, plant and equipment	162,521	165,666
Investment properties	32,700	32,700
Deferred income tax assets	2,691	2,618
Trade, retention and other receivables	8,327	10,418
	<u>206,239</u>	<u>211,402</u>
Current assets		
Inventories	196,279	146,058
Current income tax recoverable	6,167	6,131
Trade, retention and other receivables	150,895	136,587
Restricted cash	2,981	2,981
Cash and cash equivalents	79,971	79,706
	<u>436,293</u>	<u>371,463</u>
Total assets	<u>642,532</u>	<u>582,865</u>
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	60,060	60,060
Reserves	379,596	371,804
Total equity	<u>439,656</u>	<u>431,864</u>

		Unaudited	Audited
		30 September	31 March
		2017	2017
	<i>Notes</i>	HK\$'000	HK\$'000
LIABILITIES			
Current liabilities			
Trade and other payables	<i>11</i>	34,518	43,041
Dividend payable		15,015	–
Receipts in advance		67,373	47,175
Borrowings		57,339	38,115
Current income tax liabilities		9,213	3,252
		<u>183,458</u>	<u>131,583</u>
Non-current liabilities			
Deferred income tax liabilities		<u>19,418</u>	<u>19,418</u>
Total liabilities		<u>202,876</u>	<u>151,001</u>
Total equity and liabilities		<u>642,532</u>	<u>582,865</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 2017, 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 2017, as described in those annual financial statements.

Amendment to HKAS 7	Disclosure initiative
Amendment to HKAS 12	Recognition of deferred tax assets for unrealised losses
Amendment to HKFRS 12	Disclosure of interest in other entities

The adoption of these amendments effective for financial years beginning on or after 1 January 2017 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 2017.

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 2017.

There have been no changes in the risk management controls or in any risk management policies since the year ended 31 March 2017.

3.2 Liquidity risk

Compared to year ended 31 March 2017, there has been no material change in the contractual undiscounted cash out flows for financial liabilities.

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

	Unaudited	
	Six months ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
Revenue		
Sale of goods	226,954	205,744
Contract revenue	22,651	36,071
	<u>249,605</u>	<u>241,815</u>
Other income		
Rental income	420	413
Others	30	262
	<u>450</u>	<u>675</u>
Other (losses)/gains, net		
Net foreign exchange (loss)/gain		
— Forward contracts	—	(193)
— Other exchange (loss)/gain, net	(2,077)	1,407
	<u>(2,077)</u>	<u>1,214</u>

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.

Following the business development of the Group in recent years, the Executive Directors have gradually put more focus on the performance of product lines, instead of the channel over which the products are sold. Accordingly, the Executive Directors have decided to align segment information as presented in the consolidated financial statements with the internal reporting used for evaluating operating segment performance. Prior period comparative segment information has been restated accordingly to conform with the presentation in the current period.

The Group's reportable operating segments are as follows:

- Architectural builders' hardware, bathroom collections and others segment — importing, wholesale and retail of architectural builders' hardware and bathroom collections and others
- Kitchen collection and furniture segment — designing, importing, wholesale, retail and installation of kitchen collections and furniture

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

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

Segment assets include all assets but exclude current income tax recoverable, deferred income tax assets, investment properties, derivative financial assets, restricted cash, cash and cash equivalents, property, plant and equipment related to the office premises of the Group and other corporate assets which are managed on central basis and are not directly attributable to the business activities of any operating segment.

Segment liabilities include all liabilities but exclude current and deferred income tax liabilities, derivative financial liabilities, borrowings (excluding trust receipt loans) and other corporate liabilities which are managed on central basis and are not directly attributable to the business activities of any operating segment.

	Unaudited		
	Six months ended 30 September 2017		
	Architectural builders' hardware, bathroom collections and others <i>HK\$'000</i>	Kitchen collection and furniture <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue from external customers	197,973	51,632	249,605
Reportable segment cost of sales	(116,751)	(25,105)	(141,856)
Reportable segment gross profit	81,222	26,527	107,749
Depreciation of property, plant and equipment	(2,036)	(754)	(2,790)
Provision for inventory obsolescence	(828)	(326)	(1,154)
Write-back of provision for impaired receivables	–	111	111
Reportable segment assets	300,254	115,363	415,617
Additions to non-current segment assets during the period	1,583	486	2,069
Reportable segment liabilities	81,113	67,346	148,459

	Unaudited Six months ended 30 September 2016 (Restated)		
	Architectural builders' hardware, bathroom collections and others <i>HK\$'000</i>	Kitchen collection and furniture <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue from external customers	173,988	67,827	241,815
Reportable segment cost of sales	<u>(88,702)</u>	<u>(38,576)</u>	<u>(127,278)</u>
Reportable segment gross profit	<u>85,286</u>	<u>29,251</u>	<u>114,537</u>
Depreciation of property, plant and equipment	(2,278)	(981)	(3,259)
Reversal of provision for inventory obsolescence	1,161	511	1,672
Provision for impaired receivables	(216)	-	(216)

	Audited As at 31 March 2017		
	Architectural builders' hardware, bathroom collections and others <i>HK\$'000</i>	Kitchen collection and furniture <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment assets	278,631	81,460	360,091
Additions to non-current segment assets during the year	5,315	1,765	7,080
Reportable segment liabilities	<u>67,524</u>	<u>41,288</u>	<u>108,812</u>

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

	Unaudited Six months ended 30 September	
	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Reportable segment gross profit	<u>107,749</u>	<u>114,537</u>
Group gross profit	<u>107,749</u>	<u>114,537</u>

	Unaudited As at 30 September 2017 HK\$'000	Audited As at 31 March 2017 HK\$'000
Reportable segment assets	415,617	360,091
Property, plant and equipment	98,329	98,366
Investment properties	32,700	32,700
Deferred income tax assets	2,691	2,618
Deposit paid and prepayment	3,804	–
Current income tax recoverable	6,167	6,131
Restricted cash	2,981	2,981
Cash and cash equivalents	79,971	79,706
Other corporate assets	272	272
	<u>642,532</u>	<u>582,865</u>
Group assets		
Reportable segment liabilities	148,459	108,812
Borrowings	10,164	19,023
Current income tax liabilities	9,213	3,252
Dividend payable	15,015	–
Deferred income tax liabilities	19,418	19,418
Other corporate liabilities	607	496
	<u>202,876</u>	<u>151,001</u>
Group liabilities		

Geographical information

	Revenue from external customers		Non-current assets (excluding financial assets and deferred income tax assets)	
	Unaudited Six months ended 30 September 2017 HK\$'000	2016 HK\$'000	Unaudited As at 30 September 2017 HK\$'000	Audited As at 31 March 2017 HK\$'000
Hong Kong (domicile)	242,325	225,538	194,982	197,667
PRC	7,280	16,277	239	699
Total	<u>249,605</u>	<u>241,815</u>	<u>195,221</u>	<u>198,366</u>

5. EXPENSES BY NATURE

	Unaudited	
	Six months ended	
	30 September	
	2017	2016
	HK\$'000	HK\$'000
Cost of inventories	123,003	112,676
Depreciation	5,238	5,392
Operating lease charges in respect of land and buildings	25,459	24,545
(Write-back of provision)/provision for impaired receivables	(111)	216
Provision/(reversal of provision) for inventory obsolescence	1,154	(1,672)
Direct operating expenses arising from investment properties that generated rental income	54	53
Employment benefit expenses	27,203	32,604
	<u>27,203</u>	<u>32,604</u>

6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 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	
	2017	2016
	HK\$'000	HK\$'000
Current income tax		
Hong Kong profits tax	5,581	5,613
PRC Corporate income tax	(14)	881
	<u>5,567</u>	<u>6,494</u>
Deferred income tax	<u>–</u>	<u>–</u>
Tax expense for the period	<u>5,567</u>	<u>6,494</u>

7. DIVIDEND

The Board has declared the payment of an interim dividend of HK1 cent (2016: HK1.5 cents) per share.

	Unaudited	
	Six months ended	
	30 September	
	2017	2016
	HK\$'000	HK\$'000
Interim dividend of HK1 cent (2016: HK1.5 cents) per share	6,006	9,009
	<u>6,006</u>	<u>9,009</u>

At a board meeting held on 28 November 2017, the Board has declared an interim dividend of HK1 cent (30 September 2016: HK1.5 cents) per ordinary share. Such interim dividends are not reflected as dividend payable in the Group's interim financial information for the period. It will be recognised in shareholders equity in the year ending 31 March 2018.

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit for the period of HK\$21,645,000 (six months ended 30 September 2016: HK\$27,219,000) and the 600,600,000 ordinary shares (30 September 2016: 600,600,000 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 (six months ended 30 September 2016: same).

9. CAPITAL EXPENDITURE AND DISPOSAL

During the period, the Group incurred capital expenditure of approximately HK\$2,069,000 for property, plant and equipment (six months ended 30 September 2016: HK\$3,609,000). No disposal of property, plant and equipment was made during the period (six months ended 30 September 2016: same).

10. TRADE RECEIVABLES

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

	Unaudited As at 30 September 2017 <i>HK\$'000</i>	Audited As at 31 March 2017 <i>HK\$'000</i>
1–90 days	79,339	85,789
91–365 days	16,037	21,886
Over 365 days	15,040	7,551
	<u>110,416</u>	<u>115,226</u>

Most of the Group's sales are with credit terms of 30 to 90 days. In few cases, customers may be granted an extended credit period of up to 120 days.

11. TRADE PAYABLES

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

	Unaudited As at 30 September 2017 <i>HK\$'000</i>	Audited As at 31 March 2017 <i>HK\$'000</i>
0–90 days	25,001	23,242
91–365 days	258	124
Over 365 days	924	927
	<u>26,183</u>	<u>24,293</u>

INTERIM DIVIDEND

At a board meeting held on 28 November 2017, the Board of Directors has declared an interim dividend of HK1 cent per share for the six months ended 30 September 2017 (six months ended 30 September 2016: HK1.5 cents per share) payable on Wednesday, 17 January 2018 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 Monday, 18 December 2017.

CLOSURE OF REGISTER OF MEMBERS

The Company’s Register of Members will be closed from Friday, 15 December 2017 to Monday, 18 December 2017, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all completed transfer forms 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 Thursday, 14 December 2017.

REVIEW OF OPERATIONS

BUSINESS REVIEW

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in the importing, wholesale and installation of architectural builders’ hardware, bathroom, kitchen collections and furniture in Hong Kong and the People’s Republic of China (the “PRC”).

During the period, the supply of new small-sized residential units was increasing steadily as compared to the same period last year even though the volume of the properties transaction in the primary residential market has shown a marginal increase as compared to the same period last year. The segment of architectural builders’ hardware, bathroom collections and others expanded with intensified market competition; and yet we have managed to increase the sales in private jobs in the segment of kitchen collection and furniture during the period.

REVENUE REVIEW

For the six months ended 30 September 2017, the Group’s total turnover was HK\$249.6 million which was increased by 3.2% as compared with the previous first half-yearly period.

Revenue by business segment

	Revenue from external customers			As a percentage of sales (%)	
	30 September			30 September	
	2017	2016	Change	2017	2016
	HK\$'000	HK\$'000	(%)		
Architectural builders' hardware, bathroom collections and others	197,973	173,988	13.8	79.3	72.0
Kitchen collection and furniture	51,632	67,827	(23.9)	20.7	28.0
	<u>249,605</u>	<u>241,815</u>	<u>3.2</u>	<u>100.0</u>	<u>100.0</u>

Profitability by business segment

	Reportable segment gross profit			Gross profit margin (%)	
	Unaudited			30 September	
	2017	2016	Change	2017	2016
	HK\$'000	HK\$'000	(%)		
Architectural builders' hardware, bathroom collections and others	81,222	85,286	(4.8)	41.0	49.0
Kitchen collection and furniture	26,527	29,251	(9.3)	51.4	43.1
	<u>107,749</u>	<u>114,537</u>	<u>(5.9)</u>	<u>43.2</u>	<u>47.4</u>

Revenue from the architectural builders' hardware, bathroom collections and others segment increased by 13.8% to HK\$198.0 million as compared to the same period last year (2016: HK\$174.0 million). As the number of small-sized residential units completed for sale continued to increase steadily in the primary residential market, we note that the demand for space-saving products (carrying both lower unit price and margin due to fierce market as described in the Annual Report 2017) has been on a rising trend on one hand, but a steady corresponding drop in sales of high-end products on the other hand, leading to an overall increase in sales volume but decrease in gross profit margin. During the period, we supplied products for projects such as La Cresta, My Central, The Met, Acappella and Wings at Sea.

As the kitchen collection and furniture segment is more catering for the affluent market, the drop in the supply of luxury flats has a negative impact on revenue from the segment. The turnover decreased by 23.9% to HK\$51.6 million as compared to the same period last year (2016: HK\$67.8 million). We have managed to replace part of the drop in project sales by having secured more private jobs that stressed on our ability to deliver the high degree of personalisation to cater the need at an individual level on design and services. During the period, we supplied products for projects like Kadooria.

The overall turnover of the Group increased by 3.2% to HK\$249.6 million (2016: HK\$241.8 million), yet the gross profit reduced by 5.9% to HK\$107.7 million (2016: HK\$114.5 million) as compared to the same period last year due to more sales on low-priced/low margin products in the segment of architectural builders' hardware, bathroom collections and others.

The Group's operating profit was HK\$27.9 million (2016: HK\$34.5 million), representing a decrease of 18.9% from the same period last year. Profit after tax approximated to HK\$21.6 million (2016: HK\$27.2 million), which decreased by 20.5% as compared to the corresponding period. The decrease is mainly due to the drop in gross profit and was partially offset by the reduction in operating expenses. The amount of administrative expenses and distribution expenses decreased by 4.6% to HK\$78.2 million (2016: HK\$82.0 million) mainly due to a reduction in bonus distribution and other expenses. Apart from that, we have strived hard to control costs and maintain effective use of resources.

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 (31 March 2017: 2.8) and 1.3 (31 March 2017: 1.7), respectively, while cash and cash equivalents approximated HK\$80.0 million as at 30 September 2017 (31 March 2017: HK\$79.7 million).

The inventories increased to HK\$196.3 million (31 March 2017: HK\$146.1 million) mainly due to a rise of goods-in-transit and bulk project orders placed towards the end of the period which will be delivered to customers during the second half of the financial year. The trade, retention and other receivables increased by 8.3% to HK\$159.2 million (31 March 2017: HK\$147.0 million), while the trade and other payables reduced to HK\$34.5 million (31 March 2017: HK\$43.0 million). Receipts in advance increased to HK\$67.4 million (31 March 2017: HK\$47.2 million) mainly contributed by deposits of orders pending for delivery in the second half of the financial year.

As at 30 September 2017, the Group has a net cash position. Gearing ratio is not applicable (31 March 2017: same). The interest-bearing borrowings of the Group, including bills payable and trust receipt loans, increased to HK\$57.3 million (31 March 2017: HK\$38.1 million) as at 30 September 2017.

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.

Contingent Liabilities and Commitments

We seek to manage our cash flow and capital commitments 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 30 September 2017, performance bonds of approximately HK\$22,882,000 (31 March 2017: HK\$23,031,000) have been issued by the Group to customers as security of contracts. In respect of which, restricted cash of HK\$2,981,000 (31 March 2017: HK\$2,981,000) was placed in bank 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 30 September 2017.

FUTURE PROSPECTS

The year 2017 witnessed several major political events across Europe, the U.S. and Asia; and experienced subsequent economic uncertainties. The economic uncertainty due to political and economic development around the world would remain as one of the risk factors for our business.

The varied development of different economies would exert mixed impacts to Hong Kong. The tapering of the U.S. together with the continuous easing of the PRC and the E.U. would affect capital flows, foreign exchange and interest rates. The complexity of global economies makes the outlook of the Hong Kong economy remain uncertain.

The housing supply in the primary residential market is still on a slight upward trend for the next year despite the Government's cautiously optimistic outlook on the supply of residential units for the coming decade. Small-sized units have become the market norm due to high housing prices. Bulk purchases for lower-priced home-fittings by developers would become more popular so as to minimise building costs. We shall examine the impact of such trends on our operations and respond to it accordingly.

Having gained experience in the industry for the past four decades, we endeavour to explore new market opportunities. The market data as forecast by the Government at present shows that the housing supply will increase steadily with small-sized flats being more common in future. We shall monitor and review this trend carefully from time to time, exploring new opportunities, securing more quality suppliers of products that cater the new trend and expand sales channels in the market.

While furthering our core strengths in our market, we shall remain vigilant to monitor any potential external factors that may have an impact on our business in order to stay competitive. The property market is affected by both global and Hong Kong economic performance. Moreover, any introduction of the Hong Kong Government's fiscal and financial policies on finance and property markets that may create an adverse impact on the Hong Kong real estate market would inevitably affect our business performance and results. We will continue to monitor market trends and refine our strategies accordingly.

Pursuant to an announcement made by the Company on 2 November 2016, the Company is considering a proposed spin-off and separate listing of the Group's kitchen and furniture business on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Details of the announcement are available on the websites of the Stock Exchange and the Company. As at the date of this announcement, the Company is still considering the proposed spin-off and separate listing.

EVENTS AFTER THE LATEST ANNUAL REPORT

There were no significant events affecting the Company nor its subsidiaries after the latest annual report requiring disclosure in this announcement.

SUSTAINABLE DEVELOPMENT

Environment

The Group endeavours to minimise pollution and to protect 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. We create the environmental awareness amongst our staff members and whenever possible and practical to do so. Our aim is to contribute to the sustainable future and be in harmony with the global environment.

Human Resources

As at 30 September 2017, our workforce was recorded at 169 employees (31 March 2017: 164).

The Group believes its success, long-term growth and development depend upon the quality, performance and commitment of its staff members. We are committed to providing equal opportunity to our staff, matching the right people with the right job, and offering them a suitable platform to develop and excel in their career. Besides, we keep in mind to treat all staff members fairly and equally. We are committed to the provision of a healthy and safe workplace and encourage work-life balance of staff members.

Customers

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

Suppliers

We pay attention to the operating practices of our suppliers (including but not limited to employment practices, product responsibility, anti-corruption policy). We regularly conduct factory visit to refresh our knowledge in their production capacity, technical capability, quality control systems, production facilities, testing capability and personnel quality. In selecting installation sub-contractors, we consider a range of factors such as price, past performance, scale of the project, technical competence, environmental records, health and safety standards.

Communities

The Group is committed to be an active participant in the local community wherever it operates. The Group also encourages its employees to do the same to contribute to their neighbourhood. A care to the society will eventually benefit our future generations.

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 2017, with the exception of the following deviation:

Under the code provision C.2.5, the Company should have an internal audit function. Given the current scale of operations, the Company does not have an internal audit department. The Board is directly responsible for risk management and internal control systems of the Group and for the review of its effectiveness. The Board will continue to review, at least annually, this arrangement going forward in light of the evolving needs of the Group.

COMPLIANCE OF MODEL CODE FOR SECURITIES TRANSACTIONS

The Company 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 have confirmed compliance with the required standard set out in the Model Code throughout the six months ended 30 September 2017.

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, risk management and internal controls, financial reporting matters including a review of the unaudited condensed consolidated interim financial information for the six months ended 30 September 2017.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2017.

PUBLICATION OF FINANCIAL INFORMATION

This result announcement is published on the websites of the Company (www.ebon.com.hk) and the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The Company's Interim Report 2017 containing all the financial and other related information of the Company required by the Listing Rules will be despatched to shareholders of the Company and published on the same websites in due course.

By order of the Board
TSE Sun Fat, Henry
Chairman

Hong Kong, 28 November 2017

Website: 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.